City of South Lake Tahoe
City Council, South Tahoe Joint Powers Parking Financing Authority and South Tahoe Joint Powers Financing Authority

Meeting Agenda
Tuesday, August 8, 2023 at 9:00 am
*********UPDATED ZOOM LINK************
City Hall - Council Chambers - 1901 Lisa Maloff Way, South Lake Tahoe

City Council
Cristi Creegan, Mayor
Cody Bass, Mayor Pro Tem
John Friedrich, Councilmember
Tamara Wallace, Councilmember
Scott Robbins, Councilmember

Mission of the City Council
The City was established to provide essential, outstanding and cost-effective services that enhance environmental sustainability, economic vitality and the quality of life for our residents, businesses and guests.

Public Participation
City Council meetings are held in person at the time and location listed on this agenda. Meetings are live-streamed on Channel 21, City website at www.cityofslt.us, and via UPDATED ZOOM at this link https://us06web.zoom.us/j/88973791567.

A public agenda packet is available for review at City Hall, 1901 Lisa Maloff Way, on the City's Website at www.cityofslt.us, or by contacting the City Clerk's Office, (530) 542-6005 or sblankenship@cityofslt.us

Providing Public Comment:
In Person: Every agenda for regular meetings provides an opportunity for members of the public to directly address the legislative body (City Council), on any item of public interest which is within the jurisdiction of the City Council during Public Communications. For items on the agenda or in connection with any item which the City Council will consider, the public is given the opportunity to comment before or during the City Council's consideration of the item [Government Code Section 54954.3(a)].

By Phone: If you are joining the meeting via ZOOM and would like to make a comment, press the "raise a hand" button. If you are joining the meeting via Channel 21 or live stream and would like to make a comment, please call (530) 542-6500. The meeting ID is ID: 88973791567 press *9 to indicate a desire to make a comment. Press *6 to unmute your phone. The Clerk will call you by the last three digits of your phone number when it is your turn to speak.

In Writing: Written comments received by 3 p.m. the day before the meeting will be distributed to City Council prior to the meeting. Written public comment regarding any item on this agenda may be sent to PublicComment@cityofslt.us. When emailing comments, identify the agenda item number in the subject

line to which your comments relate. Any such comment that is a public record and is emailed to PublicComment@cityofslt.us or otherwise provided to a majority of the City Council before the meeting will be made available for public inspection during normal business hours at the City Clerk's Office located at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe [Government Code Section 54957.5(b)]. Written comments will not be read out loud during the meeting.

The City Council Chambers meeting facility is accessible to people with disabilities. Every reasonable effort will be made to accommodate any person needing special assistance to attend this meeting. Contact the City Clerk at (530) 542-6005 at least 48 hours in advance of the meeting for assistance [28 CFR 35.102.35.104 ADA Title II and Brown Act Government Code Sections 54953.2, 54954.1, 54954.2, and 54957.5].

Spanish Interpretations: The public may access Spanish interpretation using the ZOOM link listed on the front of the Agenda from an internet device (smartphone, laptop, tablet, home computer) with audio capabilities and selecting the Spanish language option. Persons without an internet device may attend the meeting in-person and a device will be provided while supplies last. Requests for interpreter services to offer public comment may be made by contacting the City Clerk.

Call to Order/Pledge of Allegiance

Roll Call

Closed Session Report

City Employee Recognition

1. City Employee Recognitions
Requested Action / Suggested Motions: Five new employees will be introduced to City Council. Two employees will be recognized for reaching 20 Years-Service and two employees will be recognized for reaching 15 Year-Service.
Responsible Staff Member(s): Various Departments
Item 1 - Executive Summary.pdf
01-Staff Report Employee Service 08 08 2023.docx

Public Communications
This is the public's opportunity to speak on any topic NOT LISTED on this agenda. Comments shall be limited to four (4) minutes. In accordance with the Brown Act, the City Council cannot deliberate or vote on any matter raised under public communications, but may briefly respond to statements made or questions posed. (Government Code Sections 54954.2)

City Commission Reports

Consent Agenda
Public Comment - This is the public's opportunity to speak on any topic listed on the Consent Agenda. Comments shall be limited to three (3) minutes.

The consent agenda consists of items of a repeating or routine nature considered under a single action. Any Councilmember may have an item on the consent agenda removed and considered separately upon request.

Pass a Motion to adopt the Consent Agenda in one motion except as indicated at each item.

2. City Council Meeting Minutes

Requested Action / Suggested Motions: Pass a Motion approving the June 6, 2023 City Council meeting minutes and the June 20, 2023 City Council and South Tahoe Joint Powers Financing Authority meeting minutes.
Responsible Staff Member(s): Susan Blankenship, City Clerk
Item 2 - Executive Summary.pdf
06 06 2023 CC Minutes.pdf
06 20 2023 Minutes.pdf

3. ALS Cardiac Monitor Lease Agreement with Zoll Medical Corporation
Requested Action / Suggested Motions: Pass a Resolution Authorizing Sole Source Purchase and Execution of Lease Agreement with Zoll Medical Corporation for Six Cardiac Monitors and Amending the FY 2022-2023 Budget by Appropriating $147,000 into Emergency Medical Services Account 236 02262 46110.
CEQA Determination: This is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative activities).
Responsible Staff Member(s): Jim Drennan, Fire Chief
Item 3 - Executive Summary.pdf
01-_Staff_Report_-_Zoll_Monitor_Agreement.docx
02-South Lake Tahoe Fire Dept - Q-56947 - Version 2.pdf
03-South Lake Tahoe FD ZOLL ONE Agreement Updated 5-25-2023.pdf
04-ZOLL ONE DETAILED.pdf
05-Sole Source - Zoll monitor lease.pdf
06_-_Zoll_Lease_Agreement_Resolution (3).docx

4. Quitclaim U.S. Highway 50 - South Lake Tahoe Safety Project Utility Easements
Requested Action / Suggested Motions: Pass a Resolution approving an Easement Quitclaim Deed to remove City easement rights on APN 029-161-025 as described within the Easement Quitclaim Deed and authorizing the City Manager to sign the Quitclaim Deed.
CEQA Determination: This is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative activities).
Responsible Staff Member(s): Stan Hill, Engineering Manager, Emily Dougherty, Engineering Technician
Item 4 - Executive Summary.pdf
01-Staff Report - Quitclaim Deed.docx
02-Resolution_CaltransQuitclaimRequest.docx
03-Quitclaim_Deed.pdf

5. Amendment No. 1 to California Tahoe License Agreement No. 2022-0214-LT-279
Requested Action / Suggested Motions: Pass a Resolution approving Amendment No. 1 to the existing California Tahoe Conservancy License Agreement No. 2022-0214-LT-279 (Tahoe Valley Stormwater and Greenbelt Improvement Project).
CEQA Determination: Project CEQA environmental permitting was completed with the Planning Commission's approval and adoption of a Mitigated Negative Declaration (MND) at the May 9, 2019, Planning Commission meeting. The Conservancy Board approved an amendment to the CEQA MND at their June 2023 Board meeting.
Responsible Staff Member(s): Stan Hill, Engineering Manager, Jason Burke, Complete Streets Program Manager
Item 5 - Executive Summary.pdf
01-Staff Report - CTC Amendment.docx
02-Project Location Map.pdf
03-Resolution_-_CTC_Amendment_No._1_to_License_Agreement.docx
04-License-Agreement_Amendment-1.pdf
05-C-044-2022 California Tahoe Conservancy License Agreement Final.pdf

6. Winter Storm 2023 Reconciliation Budget Appropriation
Requested Action / Suggested Motions: Pass a Resolution appropriating $968,447 from General Fund Undesignated Excess Reserves Account for Reconciliation of Winter 2023 Expenditures.
CEQA Determination: The proposed action is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(4) (creation of government funding mechanisms or government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.)
Responsible Staff Member(s): Anush Nejad, Director of Public Works
Item 6 - Executive Summary.pdf
01-Staff_Report_Winter_Budget_Appropriation_Final.docx
02-Resolution-Winter_Budget_Appropriation_8.8.23_Final_V2.docx

7. Ordinance - Confirmation of Termination and Rescission of Development Agreement with Perfect Union SLT, LLC (Second Reading)
Requested Action / Suggested Motions: Pass an Ordinance Confirming Termination and Rescission of Development Agreement with Perfect Union SLT, LLC.
Responsible Staff Member(s): Heather Stroud, City Attorney
Item 7 - Executive Summary.pdf
01 - Staff Report - Reaffirming Termination of DA 2nd Reading.docx
02 - Ordinance Confirming Termination and Rescission of DA.docx
03 - Exh. A to Ordinance (Mitracos v. City of Tracy).pdf
04 - Exh. B to Ordinance (Side Letter).pdf
05 - Exh. C to Ordinance (Conditional Assignment of Membership Interest).pdf
06 - Exh. D to Ordinance (Agreement of Purchase and Sale of Membership Interest).pdf
07-Proof of Publication

8. Community Development Block Grant CV 1 Subrecipient Agreement and Scope of Work for the Boys and Girls Club of Lake Tahoe
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute the Subrecipient Agreement for the Boys and Girls Club with an expenditure term until February 28th, 2024, and not to exceed amount of $87,594.00.
CEQA Determination: This is not a project under CEQA, because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(2) and 15378(b)(4) and is, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).
Responsible Staff Member(s): Lydia Zuniga, Associate Management Analyst
Item 8 - Executive Summary.pdf
01-Staff_Report_CDBGCV1_20230808.docx
02-CDBG-CV1_SUBAgreeBandGClub_2023final (2).pdf
03-20-CDBG-CV1-00075 Am 2-Executed (1).pdf
04-C-102-2021 Boys and Girls Club CDBG.pdf

9. Financial Policy Amendments Regarding Cell Phones, Local Training & Meeting, Procurement, Grant Funding and Compliance, Travel, and Preserving Capital Investments, and New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs)
Requested Action / Suggested Motions: Pass a Resolution amending financial policies regarding Cell Phones, Local Training & Meeting, Procurement, Grant Funding and Compliance, Travel, and Preserving Capital Investments, and adopting New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs)
CEQA Determination: These policy additions and amendments are exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Section 15061(b)(3) of the CEQA Guidelines states that an activity is covered by the commonsense exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where

it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review.
Responsible Staff Member(s): Andrew Black, Financial Services Supervisor, Lori Marino, Principal Management Analyst , Olga Tikhomirova, Finance Director
Item 9 - Executive Summary.pdf
01-Staff Report - Financial Policy Amendments and New Policy.docx
02-Resolution_-_Financial_Policy_Amendments_and_New_Policy.docx
03-CSLT Cell Phones Policy Redline.pdf
04-CSLT Cell Phones Policy (Exh. A to Reso).pdf
05-CSLT Local Training and Meeting Policy Redline.pdf
06-CSLT Local Training and Meeting Policy (Exh. B to Reso).pdf
07-CSLT Procurement Policy Redline.pdf
08-CSLT Procurement Policy (Exh. C to Reso).pdf
09-CSLT Grant Funding Compliance Policy Redline.pdf
10- CSLT Grant Funding Compliance Policy (Exh. D to Reso).pdf
11-CSLT Travel Policy Redline.pdf
12-CSLT Travel Policy (Exh. E to Reso).pdf
13-CSLT Preserving Capital Investments Redline.pdf
14-CSLT Preserving Capital Investments (Exh. F to Reso).pdf
15-CSLT Leases and SBITAs Policy (Exh. G to Reso).pdf

10. El Dorado Community Foundation Grant Acceptance
Requested Action / Suggested Motions: Pass a Resolution authorizing the City to (1) execute an Agreement for Funding with El Dorado Community Foundation to accept the Foundation's grant in the amount of $20,000, and (2) amend FY 22/23 budget and accept El Dorado Community Foundation's grant of $20,000 into the Parks Maintenance account 100-04170-36280 (Contributions and Donations) designated to sustain the Park Ranger Program.
CEQA Determination: The resolution authorizing the grant award is not a project under CEQA, because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(2) and 15378(b)(4) and is, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).
Responsible Staff Member(s): John Stark, Director of Parks & Recreation
Item 10 - Executive Summary.pdf
01-Staff_Report_Donation_-_El_Dorado_.docx
02-Resolution-El_Dorado_Community_Foundation_Grant_to_the_Park_Ranger_Program__2_(1).docx
03-Grant Agreement El Dorado Community Foundation.pdf

11. Professional Services Agreement with CentralSquare Technologies LLC. to provide property information and permit management software and Professional Services Agreement with HdL Companies to provide business licensing and transient occupancy tax administration software.
Requested Action / Suggested Motions: Pass a resolution: (1) authorizing and directing the City Manager to execute the Software and Professional Services Agreement with CentralSquare Technologies, LLC in the amount of $279,475 including one-time implementation cost and first year annual maintenance fee of $72,600 (subject to 3% increase for year two, 4% for year three and 5% year over year thereafter) for Community Development Software Implementation for the five year initial term which will automatically renew for additional successive one year terms thereafter; (2) authorizing corresponding budget appropriations transferring a total of $279,475 from Long Term Building Permit Fees account 271-03110-50014 into Software/Hardware Capital Project account 301-70008-46122; and (3) authorizing and directing the City Manager to execute the Software and Professional Services Agreement with HdL in the amount of $76,500 for one-time implementation cost and $22,000 for first year annual subscription fee for Prime Cloud Software Implementation for twelve months initial term which will automatically renew for successive twelve months terms thereafter.

CEQA Determination: This action is not a project requiring review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(5) (organizational or administrative activities that will not result in direct or indirect physical changes in the environment).
Responsible Staff Member(s): Hilary Roverud, Director of Development Services, Olga Tikhomirova, Director of Finance
Item 11 - Executive Summary.pdf
01-Staff_Report_-_Revenue_Software_Purchase_and_Solutions_Agreement.docx
02-Resolution-Revenue_Software_purchase.docx
03-Central_Square_Agreement.docx
04-HdL PSA and Agreement.pdf

Public Hearing - City Council and South Tahoe Joint Powers Financing Authority

12. Issuance of 2023 Lease Revenue Bonds Series A for the Multigenerational Recreation and Aquatic Center Construction Financing in a Principal Amount Not to Exceed $59 Million
Requested Action / Suggested Motions: 1) Hold a Public Hearing with the respect to the proposed issuance of bonds by the South Tahoe Joint Powers Financing Authority (Authority) to assist the City with financing the construction of the Recreation Center Complex; 2) Acting as the City Council, Pass a Resolution approving the issuance of the Authority Lease Revenue Bonds, 2023 Series A, and authorizing the City`s execution and delivery of related documents and taking related actions; and, 3) Acting as the Authority, Pass a Resolution authorizing the sale, issuance and delivery of Lease Revenue Bonds, 2023 Series A, and authorizing the execution and delivery of an indenture and other documents and taking related actions.
CEQA Determination: An Initial Study/Mitigated Negative Declaration (IS/MND) under the California Environmental Quality Act (CEQA) for the 56 Acres Master Plan and Recreation Center Complex was adopted by the City Council on January 18, 2022, and the Notice of Determination was filed with the El Dorado County Clerk on January 19, 2022. The issuance of bonds for the Recreation Center Complex is within the scope of the IS/MND and no further environmental review is required under CEQA Guidelines section 15162.
Responsible Staff Member(s): Joe Irvin, City Manager and Authority Executive Director, Olga Tikhomirova, Finance Director and Authority Treasurer
Item 12 - Executive Summary.pdf
01-Staff_Report_2023_Lease_Revenue_Bonds_for_Rec_Center.docx
02-Resolution 2023 Lease Revenue Bonds Rec Center.DOCX
03-STJPFA Resolution 2023 Lease Revenue Bonds Rec Center.DOCX
04-Lease Agreement SLT 2023 Lease Revenue Bonds.DOCX
05-Sublease Agreement SLT 2023 Lease Revenue Bonds.DOCX
06-Assignment Agreement SLT 2023 Lease Revenue Bonds Rec Center.DOCX
07-Continuing Disclosure Certificate SLT 2023 LRBs.pdf
08-Preliminary Official Statement (POS) SLT 2023 LRBs.pdf
09-Bond Purchase Agreement SLT 2023 LRBs.pdf
10-Indenture SLT 2023 Lease Revenue Bonds.DOCX
11-Notice of Public Hearing Proof 2023 LRBs.pdf
12-City of SLT_Presentation 2023 Bonds.pptx

Regular-Unfinished Business

13. Agreement with Roebbelen Contracting, Inc. for Multi-Generational Recreation and Aquatic Center
Requested Action / Suggested Motions: Pass a Resolution appropriating $71,578,652 for the Multi-Generational Recreation and Aquatic Center Project upon successful bond sale and authorizing and directing the Mayor Pro Tem to execute a construction contract with Roebbelen Contracting, Inc. in the amount of $67,851,097.00.
CEQA Determination: On January 18, 2022, City Council adopted an Initial Study/Mitigated Negative Declaration (IS/MND) for the 56 Acre Master Plan and the Multigenerational Recreation

and Aquatics Center (State Clearinghouse file #2021120206). This action is included within the scope of the IS/MND and no further environmental review is required under CEQA Guidelines section 15162.
Responsible Staff Member(s): Anush Nejad, Director of Public Works, John Stark, Director of Parks and Recreation
Item 13 - Executive Summary.pdf
01-Staff_Report_Rec_Center_Award_Roebbelen_Final.docx
02-Resolution-_Phase_2_Budget_Appropriation_Final_V3.docx
03 - Construction_Agreement_Roebbelen-Revised (7-31-23) Signed.pdf
04 - Roebbelen Presentation.pdf

14. Heavenly Valley Neighborhood Traffic and Parking Plan and Negotiations with Heavenly Resort Related to On-Street Parking Agreement
Requested Action / Suggested Motions: Pass a Motion to 1) Hold the first reading (by title only) of an Ordinance amending South Lake Tahoe City Code, Title 4, Chapter 4.25, by adding Article IX (Chain Control Zone), and refer the second reading and adoption to the September 12, 2023 meeting; 2) Hold the first reading (by title only) of an Ordinance amending City of South Lake Tahoe City Code Section 4.25.420 to establish Angle Parking on the East Side of Ski Run Boulevard from David Lane to Regina Road and Removing Outdated Angle Parking Areas, and refer the second reading and adoption to September 12, 2023 meeting; 3) Pass a Resolution Establishing Seasonal No Parking Restrictions and Residential Parking Permit zones on Certain Streets in the Heavenly Valley Neighborhoods; 4) Pass a Resolution appropriating $200,000 from the Parking Bellamy Court Fund Available Fund Balance and Authorizing the City Manager to execute the necessary purchase orders for implementation of the No Parking and Residential Parking Permit program in Heavenly Valley Neighborhood; and 5) Provide direction to City staff to either continue negotiating with Heavenly Valley Limited Partnership for On-Street Parking related to the Heavenly Resort area or to terminate the current Agreement with Heavenly with 180-days of notice.
CEQA Determination: The project is categorically exempt from CEQA review under CEQA Guidelines section 15301(c) (Existing Facilities).
Responsible Staff Member(s): Anush Nejad, Director of Public Works, David Stevenson, Chief of Police
Item 14 - Executive Summary.pdf
01-Staff_Report_-_Heavenly_On-Street_Parking_Agreement.docx
02_-_Chain_Control_Ordinance.docx
03 - Ordinance Angle Parking
04-Ordinance Angle Parking (redline).pdf
05 - Resolution_No_Parking_Zones_Final_Revised.docx
06-Resolution_Heavenly_Valley_Funding_for_Parking_Permit_Program.docx
07-C-81-13 Heavenly 2013 Agreement
08- Presentation - Heavenly Parking

15. Supplemental Analysis of Tiered Inclusionary Housing Requirement and In-Lieu Fee
Requested Action / Suggested Motions: Pass a Motion directing staff to draft a Tiered Inclusionary Housing Requirement Ordinance for presentation and adoption by the City Council.
CEQA Determination: The recommendation in this report is not a project under CEQA, because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Sections 15378(b)(2) and 15378(b)(4) and is, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).
Responsible Staff Member(s): Zach Thomas, Housing Manager
Item 15 - Executive Summary.pdf
01-Staff_Report_-_Tiered_Inclusionary_Analysis.docx
02-Supplemental_Tiered_Analysis_FINAL.pdf

New Business - City Council and South Tahoe Joint Powers Parking Financing Authority

16. Bellamy Parking Garage Upgrade Project
Requested Action / Suggested Motions: Pass a Resolution authorizing and directing the South Tahoe Joint Powers Parking Financing Authority Chair to execute a contract with JPB Designs, Inc. for $478,300, plus 10% contingency of $47,830 for the Bellamy Parking Garage Upgrade Project and amending FY 2022/23 Parking Garage Budget, including appropriating $171,130 from the Parking Garage Fund balance.
CEQA Determination: The project is categorically exempt from CEQA review under CEQA Guidelines section 15301(c) (Existing Facilities).
Responsible Staff Member(s): Anush Nejad, Director of Public Works, Jeff Roberson, Support Lieutenant, Scott Crivelli, Detective Seargent
Item 16 - Executive Summary.pdf
01-Staff_Report_Bellamy__Parking_Garage_Award.docx
02_-_Bellamy_Parking_Garage_Agreement.docx
03-Resolution_Bellamy_Parking_Garage (3).docx

Regular-New Business

17. Citizen Appointments to Commissions and Boards
Requested Action / Suggested Motions: Interview applicants, and: 1) Pass a Motion appointing: two (2) voting members to fill vacancies (expiring 2/2024 and 2/2025) on the Arts, Culture, and Tourism Commission; 2) Pass a Motion appointing one (1) non-voting representative (if any) associated with the South Lake Tahoe Tourism Improvement District or Lake Tahoe Lodging Association (expiring 2/2024) on the Arts, Culture, and Tourism Commission; 3) Pass a Motion appointing an applicant to the Airport Land Use Commission (Expiring 2/2025); 4) Pass a Motion appointing a City Council representative to serve on the El Dorado County Community Action Council; and directing the re-solicitation of applications to the fill any remaining vacancies.
CEQA Determination: This is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies)
Responsible Staff Member(s): Susan Blankenship, City Clerk
Item 17 - Executive Summary.pdf
01-Staff_Report_-_Citizen_Commissions_and_Boards (6).docx
02-Notice of Solicitation -ACT Rep & ALUC & Community Action.pdf
03-06 08 2023 Maddy Act List.pdf
04-Res 2023-013 City Commission-Boards- Committees.pdf
05-ACT_redacted.pdf
06-ALUC_Redacted.pdf
07-EDC CAC.pdf

18. Residential Parking Permit Program
Requested Action / Suggested Motions: Pass a Motion to hold the first reading of an Ordinance amending South Lake Tahoe City Code, Title 4, Chapter 4.25, Article V (Stopping, Standing and Parking) by adding Section 4.25.365 (Residential Parking Permit Program), and refer the second reading and adoption to the September 12, 2023 meeting.
CEQA Determination: This project is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15301(c) (Existing Facilities) because the Ordinance addresses parking regulations on existing roadways.
Responsible Staff Member(s): Anush Nejad, Director of Public Works, David Stevenson, Chief of Police
Item 18 - Executive Summary.pdf
01-Staff_Report_RPPP_Final.docx
02 - Residential_Parking_Permit_Program_Ordinance_Final.docx
03 - RPPP.pdf

19. Building Energy Efficiency Reach Code

Requested Action / Suggested Motions: Pass a Motion providing direction to staff on components of the reach code, including applicable building types, desired reach code option, and exemptions, a complimentary educational program and associated budget to increase local knowledge of building energy efficiency and electrification measures, and to conduct additional economic impact analysis to determine impacts on local construction industry, real estate market and housing costs.
CEQA Determination: The action of receiving a presentation is exempt from environmental review pursuant to CEQA Guidelines Â§15061(b)(3). The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential to cause a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.
Responsible Staff Member(s): Hilary Roverud, Director of Development Services, Sara Letton, Sustainability Coordinator
Item 19 - Executive Summary.pdf
01_CCStaffReport_ReachCode_20230718.docx
02-CEC_2022_EnergyCodeUpdateSummary.pdf
03-CostEffectivenessStudies.pdf
04-PollingResults_20230723.pdf
05-PowerPoint

Agenda Planning Calendar

20. Agenda Planning Calendar
Requested Action / Suggested Motions: A Councilmember may request that an item be placed on a future agenda. Upon the support of one (1) additional Council Member, direction shall be given to the City Manager to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made, and/or modify the Agenda Planning Calendar as desired.
Responsible Staff Member(s): Joseph Irvin, City Manager
Item 20 - Executive Summary.pdf
APC - 08 02 2023.pdf

Updates and Announcements (City Attorney, City Clerk, City Manager)

Councilmember Reports and Comments - Assignments to Boards, Committees, and Commissions

Adjournment
I, Susan Blankenship, City Clerk for the City of South Lake Tahoe, declare that the foregoing agenda for the Tuesday August 8, 2023 meeting of the City of South Lake Tahoe City Council , South Tahoe Joint Powers Parking Financing Authority and South Tahoe Joint Powers FInancing Authority Meeting was posted and available for review on Thursday, August 3, 2023 at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150. The agenda was also available on the City website at https://www.cityofslt.us.

Signed August 3, 2023
\\sb\\
Susan Blankenship, Elected City Clerk

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 1

Agenda Item: City Employee Recognitions

Executive Summary: New City employees and long-serving City employees who reach the 5, 10, 15, 20, & 25 year service milestone will be recognized at each monthly meeting.

Requested Action / Suggested Motions: Five new employees will be introduced to City Council. Two employees will be recognized for reaching 20 Years-Service and two employees will be recognized for reaching 15 Year-Service.

Responsible Staff Member: Various Departments

Reviewed and Approved By: Susan Blankenship, City Clerk Ember Buckman, Human Resources Manager

Attachments:

01-Staff Report Employee Service 08 08 2023.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 8, 2023
Title: City Employee Recognition
Location: Citywide

Responsible Staff Member: Various Department Directors

Background: As part of the City's Employee Recognition Program, employees who have reached five, ten, fifteen, twenty and twenty-five years of service are recognized for their achievements and contributions to the City.

New Regular City Employees:

Fire Department

Nicholas Steffen – Firefighter/Paramedic

Development Services

Jeremy Harrison - Building Official

Police Department

Joseph Chaisson - Police Trainee
Myles Galdi – Community Service Officer
Heidi Wilson - Parking Ambassador
Emma Morena, Public Safety Dispatcher

Service Awards

Information Technology

Sebastian Knapp – 15 Years

Police Department

Jeff Roberson – 20 Years
Melissa Dube – 15 Years

Public Works

Gildardo Navarro – 20 Years

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 2

Agenda Item: City Council Meeting Minutes

Executive Summary: City Council is asked to formally approve the June 6, 2023, and June 20, 2023 City Council meeting minutes.

Requested Action / Suggested Motions: Pass a Motion approving the June 6, 2023 City Council meeting minutes and the June 20, 2023 City Council and South Tahoe Joint Powers Financing Authority meeting minutes.

Responsible Staff Member: Susan Blankenship, City Clerk

Attachments:

06 06 2023 CC Minutes.pdf
06 20 2023 Minutes.pdf

City of South Lake Tahoe
City Council
Meeting Minutes
Tuesday, June 06, 2023 at 9:00 AM
City Hall - Council Chambers - 1901 Lisa Maloff Way, South Lake Tahoe

City Council
Cristi Creegan, Mayor
Cody Bass, Mayor Pro Tem
John Friedrich, Councilmember
Tamara Wallace, Councilmember
Scott Robbins, Councilmember

Mission of the City Council
The City was established to provide essential, outstanding and cost-effective services that enhance environmental sustainability, economic vitality and the quality of life for our residents, businesses and guests.

NOTE: The Meeting Minutes represent actions taken during the meeting of the City Council. Complete Council members discussions on Regular Session meeting items can be viewed in archived video recordings on the City's website at http://www.cityofslt.us *Public submittals on items are retained in the administrative record and can be viewed in the City Clerk's repository at* http://www.cityofslt.us

Call to Order/Pledge of Allegiance
At 9:05 a.m. Mayor Creegan called the meeting to order. Creegan then led the pledge of allegiance to the flag.

Roll Call
Present were Mayor Creegan, Mayor Pro Tem Bass, Councilmembers Friedrich, Robbins and Wallace.

Also present were City Manager Irvin, City Attorney Stroud and City Clerk Blankenship.

Closed Session Report – 06 06 2023
Conference with Labor Negotiator – Government Code section 54957.6(a)
Action: No reportable action.

Proclamations

1. **Proclamation Recognizing June 2023 as "Pride Month"**
   Action: Issued a Proclamation to Lake Tahoe Pride recognizing June 2023 as "Pride Month".

2. **Proclamation Recognizing June 2023 as "Lake Tahoe Bike Month"**
   Action: Issued a Proclamation to the Tahoe Bicycle Coalition recognizing June 2023 as "Lake Tahoe Bike Month".

3. **Proclamation Recognizing June 15-18, 2023 as "El Dorado County Fair Week"**
   Action: Issued a Proclamation to El Dorado County recognizing June 15-18, 2023, as "El Dorado County Fair Week".

City Employee Recognition

4. City Employee Recognitions

Action: William Livingston, Police Department, Karla Aguirre, Human Resources and John Stark, Parks and Recreation were introduced to City Council.

Public Communications

Public Comment was heard from the following people:

1. Mary McCall – Bijou Golf Course, National Environmental Day
2. Hayli Nicole - Lake Tahoe Pride, Pride crosswalk and Proclamation
3. Stephanie Kao - Lake Tahoe Pride, Pride crosswalk and Proclamation
4. Stacey Ballard - wheelchair access in parks and beaches
5. Angie Reagan – community for all, access for all

City Commission and Student Advisory Reports

1. Noosa Higgins, Student Advisory – Debate Club update, community wide job fair proposal

Consent Agenda

Action: Moved/Seconded: Wallace/Friedrich
Yes: Bass, Creegan, Friedrich, Robbins and Wallace
Action: Passed Consent Agenda with noted edit to May 2 minutes.

5. City Council Meeting Minutes

Action: Passed **Motion 2023-043** approving the May 2, 2023 and May 16, 2023 City Council meeting minutes with noted edits to May 2 minutes

Public Comment was heard from the following person:

1. David Gregorich – correction to May 2 minutes, Item 6 removing him as a commenter. The minutes will reflect Bruce Grego as the commenter.

6. Investment Portfolio Report - March 31, 2023

Action: Received and filed.

7. Fiscal Year 2022-23 Quarterly Financial Status Report - Quarter Ending March 2023

Action: Received and filed.

8. School Resource Officer Agreement with Lake Tahoe Unified School District

Action: Passed **Resolution 2023-047** approving Memorandum of Agreement **C-080-2023** between the City of South Lake Tahoe and the Lake Tahoe Unified School District (LTUSD) regarding the operation of the School Resource Officer (SRO) for the 2023-2024 School Year and approve budget for reimbursement from LTUSD to the City in the amount up to $68,212.00.

9. Memorandum of Understanding with the Lake Valley Fire Protection District Regarding Fuels Reduction Work

Action: Passed **Motion 2023-044** authorizing and directing the Mayor to execute Memorandum of Understanding **C-081-2023** with the Lake Valley Fire Protection District to focus on increasing the capacity of fuels reduction work within the South Shore division of the Tahoe Fire and Fuels Team.

10. Senate Bill 1 Road Maintenance and Rehabilitation Account Project List for Fiscal Year 2023-2024

Action: Passed **Resolution 2023-048** adopting a list of projects for Fiscal Year 2023-2024 funded by S.B. 1, The Road Repair and Accountability Act of 2017.

11. Agreement with California Department of Transportation for Pedestrian Light Maintenance for the US 50 Safety Project
Action: Passed **Motion 2022-045** authorizing and directing the Mayor to execute Maintenance Agreement **C-082-2023** with the California Department of Transportation (Caltrans) for the Decorative Pedestrian Light Maintenance as a part of the US 50 Safety Project.

12. Appropriation of $100,000 from Airport Available Fund Balance for Airport Maintenance needs due to Winter Conditions
Action: Passed **Resolution 2023-049** authorizing the Finance Director to appropriate $100,000.00 dollars into the airport expenditures.

13. Amendment to Agreement with BAE Urban Economics to prepare a Feasibility Study for Local Funding Source for Housing Initiatives
Action: Passed **Motion 2023-048** authorizing and directing the Mayor to execute Amendment No. 1 **C-083-2023** to the Professional Services Agreement with BAE Urban Economics for an additional amount of $38,358 and new total not to exceed amount of $164,580, to conduct enhanced analysis of inclusionary housing and commercial linkage fee policies.

14. Electric Vehicle Charging Station Ordinance Amending City Code Section 6.15.160 (Second Reading)
Action: Passed **Ordinance 2023-1173** amending South Lake Tahoe City Code Section 6.15.160 to codify procedures for expediting permitting processing for electric vehicle charging systems.

Public Hearing

15. Annual Public Hearing for Continued Snow Removal Equipment Purchase Funded Through the Existing County Service Area No. 3 Parcel Assessment
Action: Moved/Seconded: Bass/Wallace
Yes: Bass, Creegan, Friedrich, Robbins and Wallace
Action: Passed **Motion 2023-049** directing the City Clerk to prepare and submit a Minute Order, including public comment regarding the current $20 parcel assessment for snow removal equipment, to the El Dorado County Board of Supervisors. **City Council provided direction** to staff to bring back a future agenda item providing information on a potential ballot measure increasing parcel assessment fee consistent with inflation.
Public Comment was heard from the following person:
1. Ed Mosur

Regular-Unfinished Business

16. Ordinance - Repeal of South Lake Tahoe City Code Section 6.10.450 (Temporary Arts and Craft Shows) (First Reading)
Action: Moved/Seconded: Bass/Robbins
Yes: Bass, Creegan, Friedrich, Robbins and Wallace
Action: Passed **Motion 2023-050** to hold first reading (by title only) of an Ordinance repealing the South Lake Tahoe City Code Section 6.10.450 and refer second reading and adoption to the June 20, 2023 meeting.

17. Tourist Core Area Plan: 2023 Amendments

Note: Mayor Pro Tem Bass and Councilmember Robbins recused themselves from this item due to property interest in the area and left the meeting.

Action: Received presentation. **Council directed staff** to move forward on the amendments to the Tourist Core Area Plan, as presented in the staff report, excluding the Montreal re-zone private application submittal.

Public Comment was heard from the following people:

1. Seth Dallop
2. Mary McCall
3. Ed Mosur
4. Michael Wishmeyer *written material distributed
5. Stacey Ballard

Regular-New Business

18. City of South Lake Tahoe Annexation Fiscal Impact Analysis Results

Action: Moved/Seconded: Wallace/Friedrich

Yes: Bass, Creegan, Friedrich, Robbins and Wallace

Action: Passed **Motion 2023-046** directing staff to pursue annexation options; 1) Heavenly / California Base Lodge with flexibility to include Forest Service parcels if needed; and 2) Cleanup parcels within City limit; providing the two scenarios run parallel and one is not contingent on the other.

The following people addressed the Council:

1. Kuda Weksete, Managing Director, David Taussig and Associates
2. Jerry Wen, Senior Vice President, David Taussig and Associates

Public Comment was heard from the following people:

3. Ed Mosur
4. Alan Masters
5. Mike Keck

19. Heavenly Neighborhood Traffic and Parking Management Plan

Note: City Manager Irvin recused himself from this item due to residence in the area and left the room.

Action: Moved/Seconded: Friedrich/Bass

Yes: Bass, Creegan, Friedrich, Robbins and Wallace

Action: Passed **Motion 2023-047** providing direction to the Director of Public Works to pursue all short, medium and long-term items in staff report; to begin implementing increasing maximum fines for parking up to $300; move as quickly as possible on a parking permit program for residents; and, strongly encouraging Heavenly/Vail to provide shuttle service using all revenues from parking fees to fund this service as a short term item.

Public Comment was heard from the following people:

1. Allen Masters
2. Ed Lippi
3. Morrie Hansen
4. Ed Mosur
5. Mike Keck
6. Oliver Star
7. Sarah
8. Rob Hyman

20. Regan Beach Parking and Noise Enforcement
Action: Moved/Seconded: Robbins/Friedrich
Yes: Bass, Creegan, Friedrich, Robbins and Wallace
Action: Passed **Resolution 2023-050** establishing a "No Parking Zone" at the Regan Beach Parking Lot between 10:00 p.m. and 6:00 a.m. and authorizing the Police Department to enforce the No Parking Zone and City's Noise Ordinance between 10:00 p.m. and 6:00 a.m. **City Council provided direction** to staff to change the closing time at Regan Beach between May and September to 9:30 p.m.

Public Comment was heard from the following people:

1. David Gregorich, Parks and Recreation Commission

21. Policy Regarding Disposition of Tahoe Regional Planning Agency (TRPA) Development Commodities Owned by the City of South Lake Tahoe
Substitute Motion: Revising 3(D)(iv) to read as follows: "Seventy (70) City banked Tourist Accommodation Units are set aside and may only be used as conversion to Residential Units of Use and sold at no cost for the construction of new Accessory Dwelling Units or the construction of new multi-family rental units (2 or more units) projects."
Action: Moved/Seconded: Bass/Friedrich
Yes: Bass, Creegan, Friedrich, Robbins and Wallace
Action: Passed **Resolution 2023-051** adopting Policy Regarding Disposition of Tahoe Regional Planning Agency (TRPA) Development Commodities owned by the City of South Lake Tahoe (Replaces Resolution 2022-051) as amended.

22. City of South Lake Tahoe Residential Allocation Procedures
Action: Moved/Seconded: Friedrich/Wallace
Yes: Bass, Creegan, Friedrich, Robbins and Wallace
Action: Passed **Resolution 2023-052** approving revised Residential Allocation Procedures and **Resolution 2023-065** amending the Master fee Schedule.

23. Status Update on Security for Collection of Tax for Transient Lodging
Action: Moved/Seconded: Bass/Wallace
Yes: Bass, Creegan, Friedrich, Robbins and Wallace
Action: Passed **Motion 2023-051** to make no change to the current City Code and processes with the exception to allow longer payment plans while staff continue to work on alternatives and bring back a report in a few months on other options.
Public Comment was heard from the following people:

1. Bruce Grego
2. Duane Wallace, Tahoe Chamber of Commerce *written comment also received

Written Comment was received from the following person:

3. Jennifer Cewinski, Americana and Stardust Vacation Clubs

24. Travel Authorization – League of California Cities Annual Conference, Sacramento
Action: Moved/Seconded: Wallace/Friedrich
Yes: Bass, Creegan, Friedrich, Robbins and Wallace
Action: Passed **Motion 2023-052** authorizing travel and associated expenses for Council Member Robbins and Mayor Pro Tem Bass to attend the League Annual Conference (September 20-22) and selecting Mayor Pro Tem Bass as Voting Delegate.

Note: Mayor Creegan recused herself from Item 25 due to real property interest in the area and left the meeting. Mayor Pro Tem Bass presided for the remainder of the meeting.

25. Red, White and Blue Crosswalk to Celebrate Independence Day
Action: Moved/Seconded: Wallace/Friedrich
Yes: Bass, Friedrich, Robbins and Wallace
Absent (recused): Creegan
Action: Passed **Motion 2023-053** directing the Public Works Director to paint a red, white and blue crosswalk on the bike path for the 4th of July, Independence Day, at Lakeview Commons Area for 2023-24 using perpendicular design, option 1.
Public Comment was heard from the following person:
1. David Gregorich

Agenda Planning Calendar

26. Agenda Planning Calendar
Action: Received and Filed.

Updates and Announcements (City Attorney, City Clerk, City Manager)

City Clerk Blankenship:
1. Proclamation request from Lake Tahoe Community College recognizing 30th Anniversary Spanish Summer Institute Program (Council consensus)
2. Proclamation request from South Tahoe Middle School recognizing 30th Anniversary of the "Club Live" program (Council Consensus)
3. Commission solicitations

City Manager Irvin:
1. Upcoming Budget presentation for August 22, 2023 meeting
2. Upcoming Lake Tahoe High School Art Exhibit in the City Hall lobby

Councilmember Reports and Comments - Assignments to Boards, Committees, and Commissions

Councilmember Wallace:
1. Attended Mental Health Open House
2. Attended Transit Subcommittee meeting
3. Attended Police Department Awards night
4. Attended LAFCO meeting
5. Attended 70 Years of Tahoe Trout Farm event
6. Thank you to John Thiel of South Tahoe Public Utility District for years of service

Councilmember Robbins:
1. Discussion regarding Commercial Airbnb's requirement for Tourist Accommodation Units (Bass second)

Councilmember Bass:
1. Attended Transit Subcommittee meeting
2. Upcoming Tahoe Transportation District meeting
3. Upcoming Lake Tahoe Visitors Authority meeting

Adjournment

At 4:48 p.m. Mayor Pro Tem Bass adjourned the meeting.

_____ _____
Cody Bass, Mayor Pro Tem Date

Attest:

_____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe
City Council and South Tahoe Redevelopment Successor Agency
Meeting Minutes
Tuesday, June 20, 2023 at 5:30 PM
City Hall - Council Chambers - 1901 Lisa Maloff Way, South Lake Tahoe

City Council
Cristi Creegan, Mayor
Cody Bass, Mayor Pro Tem
John Friedrich, Councilmember
Tamara Wallace, Councilmember
Scott Robbins, Councilmember

Mission of the City Council
The City was established to provide essential, outstanding and cost-effective services that enhance environmental sustainability, economic vitality and the quality of life for our residents, businesses and guests.

NOTE: The Meeting Minutes represent actions taken during the meeting of the City Council. Complete Council members discussions on Regular Session meeting items can be viewed in archived video recordings on the City's website at http://www.cityofslt.us *Public submittals on items are retained in the administrative record and can be viewed in the City Clerk's repository at* http://www.cityofslt.us

Call to Order/Pledge of Allegiance
At 5:33 p.m. Mayor Creegan called the meeting to order. Creegan then led the pledge of allegiance to the flag.

Roll Call
Present were Mayor Creegan, Mayor Pro Tem Bass, Councilmembers Friedrich, Robbins and Wallace.

Also present were City Manager Irvin, City Attorney Stroud and City Clerk Blankenship.

Closed Session Report 06 20 2023
Conference with Labor Negotiator – Government Code section 54957.6(a)
Action: No reportable action

Proclamation
1. **Proclamation Recognizing the 30th Anniversary of the Intensive Spanish Summer Institute Program**
   Action: Issued a Proclamation to the Lake Tahoe Community College recognizing the 30th Anniversary of the Intensive Spanish Summer Institute Program.

Public Communications
1. Bruce Fritz – neighbor dispute
2. Jennifer Drennen – accessibility for the disabled and inclusive playground, recreation center
3. Bobby Gonzalez – governance
4. Angie Regan – community for all, equitable access, inclusion
5. Nick Speal – cycle safety, sand in bike lanes
6. Stacey Ballard - accessibility for the disabled, equitable access

City Commission Reports

1. Peter Fink, Parks, and Recreation Commission – More staff for road maintenance, enforcement of rules of the road, skate park recreation, Master Plan

Presentations

Note: Mayor Pro Tem Bass recused himself from this item due to a financial interest in the industry and left the meeting**.**

2. 2022 Cannabis Revenues Grant Program Project Successes

Action: Received and filed.

The following people addressed City Council:

1. Theresa Papandrea, Tahoe Alliance for Safe Kids (TASK)
2. Rose Marie Ottman, Soroptimist
3. Lisa Huard, The Drug Store Project (*written material distributed)
4. Cary Brown, South Tahoe Sober Grad Night Task Force
5. Paula Peterson, Lake Tahoe Historical Society
6. Cali Fraser, Gateway Mountain Center
7. Alan Reeder, Lake Tahoe Unified School District
8. Cheyanne Lane, Tahoe Youth and Family Services
9. Kira Smith, Lake Tahoe Bicycle Coalition
10. Karen Houser, Encompass Youth

Sara Letton, City sustainability Coordinator, presented for the following:

11. Tamba
12. South Lake Tahoe Family Resource Center
13. Tahoe Coalition for the Homeless
14. Tahoe Art League

Consent Agenda

Note: City Attorney Stroud noted a typo in the title of Item 9.
Note: Mayor Creegan recused herself from Item 6 due to real property interest in the area
Note: Councilmember Robbins recused himself from Item 8 due to a real property interest in the area.
Action: Moved/Seconded: Wallace/Friedrich
Yes: Bass, Creegan, Friedrich, Robbins and Wallace
Action: Passed Consent Agenda with noted recusals and corrections.

3. Repeal of South Lake Tahoe City Code Section 6.10.450 (Temporary Arts and Craft Shows) (Second Reading)

Action: Passed **Ordinance 2023-1174** repealing South Lake Tahoe City Code Section 6.10.450 (Temporary Arts and Craft Shows)

4. Agreement with West Coast Paving, Inc. for Pothole Repair Phase III in an Amount Not to Exceed $466,666.20

Action: Passed **Motion 2023-054** authorizing and directing the Mayor to execute **C-094-2023** with West Coast Paving, Inc. for $444,444, and 5% contingency of $22,222.20 for pothole repair on Johnson Blvd, Park Avenue, Pine Blvd, 10th Street, and Saddle Road.

5. Agreement with Doug Veerkamp General Engineering, Inc. for 2023 Annual Road Rehabilitation Project in an Amount Not to Exceed $3,374.220.30

Action: Passed **Motion 2023-055** authorizing and directing the Mayor to execute **C-095-2023** with Doug Veerkamp General Engineering, Inc. for $3,067,473, and 10% contingency of $306,747.30 for 2023 road rehabilitation projects.

6. **Amendment No. 1 to Supercharger Lease Agreement with Tesla for 12 Parking Spaces on City Lot**
Action: Passed **Motion 2023-056** authorizing and directing the Mayor Pro Tem to execute **C-096-2023** Amendment No. 1 to Agreement with Tesla, correcting a typo of the property address number in the contract language.

7. **Amendment No. 1 to Subrecipient Agreement with Tahoe Coalition for the Homeless for Community Development Block Grant Program Coronavirus Response Round 2/3 funding for Bears Den Inn Rehabilitation**
Action: Passed **Motion 2023-057** authorizing and directing the Mayor to execute **C-097-2023** Amendment No. 1 to Subrecipient Agreement between City of South Lake Tahoe and Tahoe Coalition for the Homeless for 2020 Community Development Block Grant Program – Coronavirus Response Round 2 & 3 authorized by Resolution 2022-003, extending the term of performance to October 1, 2024.

8. **Direct Charge for Mello-Roos Special Tax for Community Facilities District No. 1995-1 for Fiscal Year 2023-2024**
Action: Passed **Resolution 2023-054** authorizing certification of direct charge for Mello-Roos Special Tax for Community Facilities District No. 1995-1 for Fiscal Year 2023-2024.

9. **Land Coverage Loan Agreement for Sugar Pine Village Phase 2A for $995,513**
Note: City Attorney Stroud noted a typo in the Resolution title which sould read Phase 3 Housing Partners, not 2A.
Action: Passed **Resolution 2023-055** authorizing and directing the Mayor to execute a land coverage loan agreement with Sugar Pine Phase 3 Housing Partners, LP to purchase coverage banked at the Airport for the construction of Phase 2A of the Sugar Pine Village affordable housing project.

10. **Budget Appropriation of $5,000,000 of Permanent Local Housing Allocation (PLHA) Grant Funds and Loan Agreement for $4,750,000 with Sugar Pine Phase 3 Housing Partners, LP for Sugar Pine Village Phase 2A**
Action: Passed **Resolution 2023-056** authorizing budget appropriation of Permanent Local Housing Allocation Non-Entitlement Local Government Competitive Component funds for construction of the Sugar Pine Village Affordable Housing Project and authorizing and directing the Mayor to execute the loan agreement with Sugar Pine Phase 3 Housing Partners, LP.

11. **Sugar Pine Village Phase 2A Funding**
Action: (1) Passed **Motion 2023-058** authorizing and directing the Mayor to execute the Affordable Housing and Sustainable Communities (AHSC) and California Housing Accelerator Program (CHAP) co-applicant agreement with Related Companies of California, LLC; (2) Passed **Resolution 2023-057**authorizing the City to be a signatory to the Standard Agreement associated with CHAP funds in the amount of $23,888,864; and (3) Passed **Resolution 2023-058** authorizing the creation of the associated CIP projects and budget amendments necessary to appropriate $6,522,543 associated with the AHSC grant.

12. **Purchase of Four Police Patrol Vehicles from Michael Hohl Chevrolet with Related Equipment for an Amount Not to Exceed $422,310.18.**
Action: Passed **Resolution 2023-059** authorizing purchase of four police patrol vehicles from Michael Hohl Subaru with related equipment for an amount not to exceed $422,310.18.

13. Agreement with West Coast Paving Inc. for Hangar Taxi lanes and Delta Taxiway Replacement in an Amount Not to Exceed $924,000

Action: (1) Passed **Motion 2023-059** authorizing and directing the Mayor to execute **C-101-2023** with West Coast Paving Inc. to reconstruct the Taxi lanes and Delta Taxiway near the hangars at the Airport in an amount not to exceed $924,000.00; (2) Passed **Resolution 2023-060** reallocating and appropriating additional funding in the total amount of $227,980 for the project.

Written Comment was received from the following person:

1. Seth Dallob

Consent Agenda - South Tahoe Redevelopment Successor Agency

14. Annual Special Tax for Community Facilities District 2001-1 Series 2015 Special Tax Refunding Bonds for Fiscal Year 2023-2024

Action: Moved/Seconded: Wallace/Bass

Yes: Bass, Creegan, Friedrich, Robbins and Wallace

Action: Acting as the South Tahoe Redevelopment Successor Agency, Passed **STRSA Resolution 2023-002** Establishing the Annual Special Tax for Community Facilities District 2001-1 (Park Avenue Project) Series 2015 Special Tax Refunding Bonds (Heavenly Village) for Fiscal Year 2023-2024.

Public Hearing

15. Public Hearing for California Department of Transportation's Proposed Speed Limit Increase on Sections of US 50, US 89, and US 50/89

Action: Moved/Seconded: Wallace/Friedrich

Yes: Bass, Creegan, Friedrich, Robbins and Wallace

Action: Passed **Resolution 2023-061** opposing California Department of Transportation's (Caltrans) proposed speed limit increase on sections of US 50, US 89, and US 50/89 and directing the City Clerk to prepare and submit the Resolution and Minute Order of the public hearing to Caltrans.

Public Comment was heard from the following people:

1. Brennan Touryan, Lake Tahoe Pizza Company
2. Duane Wallace, South Tahoe Chamber
3. Gant Miller Family
4. Kristine Koran, TAMBA
5. Steven Loan
6. Rab Bird
7. Amanda Milici, Lake Tahoe Bike Coalition
8. Leona Allen
9. Tugi Silt
10. Lauri Kemper
11. Theresa Bertrand
12. Margy Kovarik-Maxhimer
13. Peter Fink, Bicycle Advisory Committee
14. Russell Dollar, Community Mobility Group
15. Marlin Charnotj
16. John Ruiz
17. Michelle Glickert, Tahoe Regional Planning Agency
18. Melissa Soderston
19. Carrie Bolger, Al Tahoe HOA
20. Amelia Richmond
21 Nick Speal
22. Steve Nelson, Caltrans
23. Fabian Hannemann
24. Steve Teshara, Tahoe Chamber
25. Lauren Scott
26. Barbara Beard

Public Hearing (continued)

Written Comment was received from the following people:

1. Staff Distribution
2. Kevin Ahlborn
3. Jenny Butterfass
4. Russ Dahler
5. Jb721 hazel *2 comments
6. Steve Lannoy
7. Cathy Meyer
8. Bill O'Dea
9. Lisa Terrell
10. Marta Tuznik
11. Cheryl Wakefield
12. William
13. Lois Yuzbick
14. Marc Alper
15. Carol Beahan
16. Aria Benham
17. K. Brosch
18. Felix Brosch
19. Mike Campbell
20. Vicky Chaucer
21. Daniel Dickert
22. Michael Habicht
23. Joshua Hutchens
24. Jessica Lazzarino
25. Victor Lyon
26. @mms.att.net
27. Janet Moughler
28. Margo Osti
29. Kathy Pappis
30. Marianne Poohachoff
31. Joel Rosenfield
32. Lisa Schafer
33. @att.net
34. Lisa S
35. Dawn Shreve
36. Michele Sterling
37. Vee
38. Kathryn Vincent
39. Lake Tahoe Bicycle Coalition
40. Tyler Alves
41. Peter Fink, Bicycle Advisory Committee
42. Kathleen BIndl
43. Jordon Bluestein
44. Karen Borges
45. Mary Bryden
46. Dan Cockrum
47. Michelle Douglas
48. Evan Goldin
49. Sherry Hao
50. Janice Hunt
51. Collin Huston
52. David Jinkens
53. Gregg Kendall
54. Kathleen Keough
55. Kathy Kohberger
56. Nichole Ladd
57. Jayme Miller
58. Lisa O'Daly
59. Victoria Ortiz
60. Kevin Rennie
61. Tina Retzer
62. John Ruiz
63. Thomas Schaefer *2 comments
64. Barbara Beard
65. Lauren Scott
66. Julie Regan
67. Bonnie Turnbull
68. Doug Vacek
69. Robert Velasquez
70. Alan Di Vittorio
71. Kyle Aster
72. Deborah Beane
73. M & M Bird
74. Rebecca Bryson
75. Lauretta Ross
76. City Manager Communication
77. Eric Bonner
78. Olivia Carta
79. Denise Downie
80. Kristen Fenech
81. Fred Fabre
82. Sue Quinn
83. Steve Scott
84. Denise Upton

16. South Tahoe Refuse Delinquent Fees Report

Note: Staff noted a correction to the regular scheduled Planning Commission public hearing date on the Staff Report and Resolution from May 16, 2023 to May 11, 2023.

Staff also noted that there will be an updated Final Delinquent Fees report which will be attached to the Resolution.

Action: Moved/Seconded: Friedrich/Wallace

Yes: Bass, Creegan, Friedrich, Robbins and Wallace

Action: Passed **Resolution 2023-062** confirming the Final Delinquent Fees Report and directing the Finance Department to send a certified copy of the Report to the El Dorado County Auditor-Controller to add the delinquent amounts to the county property tax rolls for collection.

17. Confirmation of Termination and Rescission of Development Agreement with Perfect Union SLT, LLC

Note: Mayor Creegan recused herself from this item due to property interest in the area and left the meeting. Mayor Pro Tem Bass recused himself from this item due to a financial interest in the industry and left the meeting.

Note: Councilmember Wallace presided over this item.

Action: Moved/Seconded: Friedrich/Robbins

Yes: Friedrich, Robbins and Wallace

Absent (recused): Bass and Creegan

Action: Passed **Motion 2023-060** to hold a first reading (by title only) of an Ordinance Confirming Termination and Rescission of the Development Agreement with Perfect Union SLT, LLC, and refer second reading and adoption to August 8, 2023.

Regular-New Business

18. 2023 Cannabis Revenues Grant Program Recommendations for Awards of 15 Project Totaling $408,625

Note: Mayor Pro Tem Bass recused himself from this item due to a financial interest in the industry and left the meeting. Councilmember Friedrich recused himself from this item due to family involvement with the project and left the meeting.

Action: Moved/Seconded: Robbins/Wallace

Yes: Creegan, Robbins and Wallace

Absent (recused): Bass and Friedrich

Action: (1) Passed **Motion 2023-061** approving the 15 projects recommended by the grant application review committee; and (2) Passed **Resolution 2023-063** appropriating an additional $3,987 into the Cannabis Revenues Grant Program.

19. Authorization of Overlap for the Assistant City Clerk Position for Training Purposes and Budget Allocation of $18,308

Action: Moved/Seconded: Wallace/Bass

Yes: Bass, Creegan, Friedrich, Robbins and Wallace

Action: Passed **Resolution 2023-064** authorizing budget allocation of $18,308 from General Fund Undesignated Excess Reserves into the City Clerk Payroll Account and approving an overlap in the Assistant City Clerk position beginning August 1, 2023, until the incumbent Assistant City Clerk's retirement in October.

Agenda Planning Calendar

20. Agenda Planning Calendar

Action: Received and filed.

Updates and Announcements (City Attorney, City Clerk, City Manager)

City Clerk Blankenship:

1. Arts, Culture and Tourism Commission solicitation for 2 positions

City Attorney Stroud:

1. Measure T Update
2. Special Closed Session meeting scheduled for next week regarding Qualified Vacation Rentals

City Manager Irvin:

1. Upcoming Champions Plaza Induction Ceremony
2. Upcoming Commission on Aging presentation
3. Upcoming South Shore Transit Subcommittee meeting
4. American Disability Act and Accessibility
5. Will address sand on road shoulder
6. Resignation of Lynsey Baker, Assistant City Manager

Councilmember Reports and Comments - Assignments to Boards, Committees, and Commissions

Councilmember Robbins:

1. Charter City Sub Committee meeting
2. California Minimum wage discussion (Friedrich second)

Mayor Pro Tem Bass:

1. Charter City Sub Committee meeting

Councilmember Wallace:

1. ADA support
2. Conservancy Board meeting - Tahoe Greenbelt
3. Transit Subcommittee meeting

Councilmember Friedrich:

1. Thank you for public participation.
2. July 4th parade attendance
3. Upcoming Tahoe Regional Planning Agency meeting
4. Congratulations to graduates

Mayor Creegan:

1. Annual Dump Day attendance

Adjournment

At 9:06 p.m. Mayor Creegan adjourned the meeting.

_____ _____

Cristi Creegan, Mayor Date

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 3

Agenda Item: ALS Cardiac Monitor Lease Agreement with Zoll Medical Corporation

Executive Summary: The Fire Department is seeking to replace our current Lifepak Cardiac Monitors. We would like to enter into a 10 year lease agreement with Zoll Medical Corporation which would guarantee pricing and provide full warranty and service over the course of the lease.

Requested Action / Suggested Motions: Pass a Resolution Authorizing Sole Source Purchase and Execution of Lease Agreement with Zoll Medical Corporation for Six Cardiac Monitors and Amending the FY 2022-2023 Budget by Appropriating $147,000 into Emergency Medical Services Account 236 02262 46110.

Responsible Staff Member: Jim Drennan, Fire Chief

Reviewed and Approved By: Susan Blankenship, City Clerl Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-_Staff_Report_-_Zoll_Monitor_Agreement.docx
02-South Lake Tahoe Fire Dept - Q-56947 - Version 2.pdf
03-South Lake Tahoe FD ZOLL ONE Agreement Updated 5-25-2023.pdf
04-ZOLL ONE DETAILED.pdf
05-Sole Source - Zoll monitor lease.pdf
06_-_Zoll_Lease_Agreement_Resolution (3).docx

City of South Lake Tahoe
Report to City Council

Meeting Date: August 8, 2023

Title: ALS Cardiac Monitor Lease Agreement with Zoll Medical Corporation

Location: Fire Department

Responsible Staff Member: Jim Drennan, Fire Chief (530) 542-6152

Background: South Lake Tahoe Fire Rescue operates as an all-risk fire department. We staff the department with county accredited firefighter/paramedics capable of Advanced Life Support patient care. We have provided ALS care to the residents and visitors of South Lake Tahoe since 2001. Cardiac monitors are one of the many tools carried in each fire engine, the ladder truck, and the rescue boat with one kept in reserve as a back-up if one of the others is down for repair or is damaged. The lifespan of a cardiac monitor is typically 5 years. Our current fleet of 6 cardiac monitors is up for replacement.

Issue and Discussion: SLTFR currently uses Lifepak cardiac monitors. We are the only department using this brand and style in the area. In fact, all neighboring agencies and Barton Hospital use Zoll ALS cardiac monitors. We intend to switch brands so that our equipment is consistent and compatible with our neighbors. This allows for better patient care and interoperability.

When considering the purchase or lease of high dollar equipment such as cardiac monitors we took several criteria into account. By purchasing the equipment, we would then expect to replace the equipment again in approximately 5 years. The current bid for purchase of 6 Zoll Cardiac Monitors was $242,368.91. With the unknowns of inflation, it is expected that we would be paying at least 10-20 percent more in 5 years with an unknown trade in value to offset. By leasing the equipment over ten years we realize some very important benefits. First, with a 10-year option we would have two cycles of cardiac monitor equipment. In 4-5 years, we can elect to receive all new equipment. Every item quoted would be replaced with the newest version. Second, all service is included with guaranteed support. The value of having warranty and service covered for 10 years is substantial. We are requesting approval to authorize the Fire Chief to enter into a 10-year lease agreement with Zoll Medical Corporation.

Financial Implications: The Fire Department is asking for budget appropriation from EMS fund 236 in the amount of $100,000 in fiscal year 22/23 with an annual lease payment of $43,558 plus sales tax of $3,811.33. EMS fund 236 has a current fund balance of $168K. The attached resolution shows appropriation of $147K into account 236 02262 46110 for fiscal year 22/23. Attached to this report is the full lease agreement with Zoll as well as some specific information on the warranty and services included.

Environmental Considerations: This is not a “project” subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative activities).

Policy Implications: The lease agreement for Zoll Medical Corporation Cardiac Monitors is in line with City Council Strategic Priority 5.1 “Public Safety” by ensuring that adequate funding is provided for exceptional service to our community.

ZOLL Medical Corporation
269 Mill Road
Chelmsford, MA 01824-4105
Federal ID# 04-2711626

Phone: (800) 348-9011
Fax: (978) 421-0015
Email: esales@zoll.com

Quote No: Q-56947 Version: 2

South Lake Tahoe Fire Dept
2101 Lake Tahoe Blvd
South Lake Tahoe, CA 96150

Jim Drennan
(530) 542-6161

Issued Date: June 26, 2023
Expiration Date: August 30, 2023

Prepared by: Kimberly Tanner
Senior Account Executive
ktanner@zoll.com

ZOLL Medical is pleased to offer South Lake Tahoe Fire Dept the following special ZOLL ONE Program for the devices, accessories, software, and warranty options included in the table listed at the end of this quote.

ZOLL One Program Summary

Structure	ZOLL One
Down Payment Amount	$100,000.00
Payment Term	10 Years
Payment Mode	Annually
Payment Amount	$43,558.09

1. Delivery will be made upon availability.
2. This Quote expires on August 30, 2023. Pricing is subject to change after this date.
3. Pending credit and financial approval. First payment is due Net 30 Days from date of shipment.
4. Payment amount does not include applicable taxes.
5. A signed Master Lease Agreement is required in order to execute this program.

Trade Unit Considerations
Trade-In values valid through August 30, 2023 if all equipment purchased is in good operational and cosmetic condition and includes all standard accessories. Trade-In values are dependent on the quantity and configuration of the ZOLL devices listed on this quotation. Customer assumes responsibility for shipping trade-in equipment at the quantities listed on the trade line items in this quotation to ZOLL's Chelmsford Headquarters within 60 days of receipt of new equipment. Customer agrees to pay cash value for trade-in equipment not shipped to ZOLL on a timely basis.

ZOLL Medical Corporation
269 Mill Road
Chelmsford, MA 01824-4105
Federal ID# 04-2711626

Phone: (800) 348-9011
Fax: (978) 421-0015
Email: esales@zoll.com

South Lake Tahoe Fire Dept
Quote No: Q-56947 Version: 2

The following items represent the devices, accessories, software, and warranty options included in the lease summary on page one.

Item	Part Number	Description	Quantity
1	601-2231111-01	X Series Advanced Monitor/Defibrillator - 12-Lead ECG, Pacing, SpO2, SpCO, EtCO2, BVM, NIBP, CPR Expansion Pack	6
2	8900-0400	CPR Stat-padz HVP Multi-Function CPR Electrodes - 8 pair/case	1
3	8300-000208	Microstream Advance Adult-Pediatric Intubated CO2 Filter Line, Short Term Use, Box of 25	1
4	8300-000200	Microstream Advance Adult Oral-Nasal CO2 Filter Line With O2 Tubing, Short Term Use, Box of 25	1
5	8000-001128	Accuvent Flow Tube (Box of 10)	6
6	8000-0895	Cuff Kit with Welch Allyn Small Adult, Large Adult and Thigh Cuffs	6
7	8000-001392	Masimo rainbow® RC-4 - 4FT, Reusable EMS Patient Cable	6
8	8000-000371	rainbow® DCI® SpO2/SpCO/SpMet Adult Reusable Sensor with connector (3 ft)	6
9	8000-0580-01	Six Hour Rechargeable, SurePower II Smart Battery	12
10	8300-0500-01	SurePower 4 Bay Charging System including 4 Battery Charging adapters	3
11	8000-000876-01	Paper, Thermal, w/Grid, BPA Free (Box of 6)	1
12	8000-000393-01	X Series Carry Case, Premium	6
13	8900-0004	4 ECG electrodes/pouch (120 pouches / 480 electrodes)	1
14	8900-0006	6 ECG electrodes/pouch (100 pouches / 600 electrodes)	1
15	8900-0810-01	Pedi-padz II Pediatric Multi-Function Electrodes	6
16	8707-000503-01	X Series Clear Plastic Display Protector	6
17	8400-110045	CaseReview Premium Subscription, R Series and X Series, Hosted	6
18	8778-89044-WF	X Series - Worry-Free Service Plan	6
19	7800-0414-61	LP 15 12-Lead Version 4 Trade In Allowance	6

ZOLL Medical Corporation
269 Mill Road
Chelmsford, MA 01824-4105
Federal ID# 04-2711626

Phone: (800) 348-9011
Fax: (978) 421-0015
Email: esales@zoll.com

South Lake Tahoe Fire Dept
Quote No: Q-56947 Version: 2

ALS/BLS Software Solutions Master Application Service Provider Agreement

1. Orders. ZOLL Medical Corporation (**"ZOLL"**) shall provide the ASP Services, Implementation Services and Support Services identified in any order or contract ("**Order**") between ZOLL and another party ("**Customer**") incorporating this Software Solutions Master Application Service Provider Agreement (together with each such Order, the "**Agreement**"). ASP Services are further defined in Section 3. Implementation Services are further defined in Section 4. Support Services are further defined in Section 5. The ASP Services, Implementation Services, and Support Services are each, and are collectively, "**Services**". The terms and conditions set forth in this Agreement shall only apply to ALS/BLS Software Solutions products that are used with ZOLL Medical Corporation defibrillators. For the sake of clarity, these terms and conditions do not apply to any ZOLL patient care reporting software.

2. Payment. Customer shall pay fees to ZOLL for Services as provided in any Order and this Agreement ("**Fees**"). Unless otherwise provided in the applicable Order, Customer will pay ZOLL all Fees due under this Agreement within thirty (30) days after the date of ZOLL's invoice. The first invoice will be sent after the Deployment Effective Date. "Deployment Date" means the date upon which the deployment of the ASP Services is complete and it is able to function as described in the warranty set forth in this Agreement, regardless of whether Customer actually uses such ASP Services. "Deployment Effective Date" means the earlier of (a) the Deployment Date or (b) 90 days from the date after ZOLL's shipment of defibrillators that are included on the Order (the "Latest Deployment Date"), unless a delay in the Deployment Date has been caused by ZOLL, in which case the Deployment Effective Date shall be postponed by a number of days equal to the delay that ZOLL has caused. Fees are non-refundable other than as expressly set forth herein. Amounts not paid when due will accrue interest at the rate of 1.5% per month, or the maximum allowed by law, whichever is less. Customer shall pay all expenses (including reasonable attorney's fees) incurred by ZOLL in connection with collection of late payments. Any amounts not paid by Customer when due may result in the forfeiture by Customer, in ZOLL's sole discretion, of any discounts previously offered by ZOLL. In addition, ZOLL may cease providing any or all of the Services if any invoice is not paid in a timely manner, in which event ZOLL will not be liable to Customer for any damages caused by such cessation. Payment terms are subject to ZOLL's credit approval. Fees exclude all applicable sales, use and other taxes and all applicable export and import fees, customs duties and similar charges ("**Taxes**").

3. ASP Services. "ASP Services" means the hosting and maintenance of ZOLL software, as modified, updated, and enhanced (the "**Underlying Software**"), for remote electronic access and use by Registered Users on the website with a unique URL to be provided by ZOLL to Customer (the "**ZOLL Site**") in substantial conformity with the instructions for use, documentation and users manuals from time-to-time provided by ZOLL (the "**Documentation**"), as listed in any Order, on and after the Implementation Date (defined below) for such services and before that Order has expired or been terminated in accordance with the Agreement. Customer acknowledges that the ASP Services are only compatible with ZOLL equipment that has been enabled and configured for use with the ASP Services in accordance with the Documentation and only with the browser and other technical environment that supports the use of the ASP Services in accordance with the Documentation.

3.1. Provision of ASP Services. Subject to the terms and conditions of the Agreement, ZOLL will use commercially reasonable efforts to make the ASP Services available to Customer and Customer's employees, directors, principals, partners, consultants and agents authorized to use ASP Services on behalf of Customer and registered through the ZOLL Site for such use ("**Registered Users**") through the ZOLL Site over normal network connections in accordance with the Documentation, excepting downtime due to necessary maintenance and troubleshooting. Customer, not ZOLL, shall be responsible for controlling Registered Users and protection of confidentiality of its login identifications and passwords. Customer acknowledges that (i) it is responsible for maintaining its interface and connectivity to the ASP Services and (ii) any facilities used for provision of the ASP Services may be owned or operated by ZOLL, or a ZOLL affiliate or a third party, or any combination of such facilities, as determined by ZOLL. Customer acknowledges that ZOLL may modify and upgrade the ASP Services, on an ongoing basis, to improve or adapt the ASP Services. Without limiting the foregoing, ZOLL will have the right, in its sole discretion, to develop, provide and market new, upgraded or modified ASP Services to Customer, including adding, removing or modifying the functionality or features of the ASP Services accessible by Registered Users. ZOLL will use commercially reasonable efforts to notify Customer within a reasonable period of time prior to the implementation of such changes so that Customer is reasonably informed of alterations to the ASP Services that will affect the ASP Services and Customer's use of them. Notwithstanding anything to the contrary in the Agreement, ZOLL may cease providing any ASP Services upon at least six months advance notice to Customer.

3.2. Access Software. Subject to the terms and conditions of this Agreement, ZOLL grants to Customer, during the Term, a non-exclusive, non-transferable, non-sublicensable license for Registered Users to access and use the ASP Services using the ZOLL software that Registered Users may download at the ZOLL Site to access the ASP Services, as modified, updated and enhanced (the "**Access Software**"), each as made available to Customer through the ZOLL Site, solely for Customer's internal business purposes and solely in accordance with the Documentation. Access Software and Underlying Software are, collectively, the "**Software**".

3.3. Restrictions. Customer shall not, and shall not permit any third party to: (a) use, reproduce, modify, adapt, alter, translate or create derivative works from the ASP Services, Software or Documentation; (b) merge the ASP Services, Software or Documentation with other software or services; (c) sublicense, distribute, sell, use for service bureau use, lease, rent, loan, or otherwise transfer or allow access to the ASP Services, Software or the Documentation to any third party; (d) reverse engineer, decompile, disassemble, or otherwise attempt to alter or derive the Source Code for the ASP Services or Software; (e) remove, alter, cover or obfuscate any copyright notices or other proprietary rights notices included in the ASP Services, Software or Documentation; or (f) otherwise use or copy the ASP Services, Software or Documentation in any manner not expressly permitted by the Agreement. Customer agrees not to use the ASP Services in excess of its authorized login protocols. Customer shall immediately notify ZOLL of any unauthorized use of Customer's login ID, password or account or other breach of security**.** If Customer becomes aware of any actual or threatened activity contemplated by the restrictions on use set forth in this section, Customer will, and will cause Registered Users to, immediately take all reasonable measures necessary to stop the activity or threatened activity and to mitigate the effect of such activity including: (i) discontinuing and limiting any improper access to any data; (ii) preventing any use and disclosure of improperly obtained data; (iii) destroying any copies of improperly obtained data that may have been made on their systems; (iv) otherwise attempting to mitigate any harm from such events; and (v) immediately notifying ZOLL of any such event so that ZOLL may also attempt to remedy the problem and prevent its future occurrence.

3.4. Service Level Agreement.

3.4.1. Downtime. "**Downtime**", expressed in minutes, is any time the ASP Services are not accessible to Registered Users.

3.4.2. Planned Downtime. "**Planned Downtime**" is Downtime during which ASP Services may not be available in order for ZOLL to continue to provide commercially reasonable services, features and performance to its customers. Planned Downtime includes, but is not limited to: (a) Standard Maintenance; and (b) Emergency Maintenance. "**Standard Maintenance**" is performed when upgrades or system updates are desirable. "**Emergency Maintenance**" is performed when a critical system update must be applied quickly to avoid significant Downtime. Standard Maintenance may be performed weekly on Monday and Wednesday between the hours of 7 p.m. to 11 p.m. in Broomfield, Colorado. ZOLL will provide Customer with notice at least 24 hours in advance of Standard Maintenance.

3.4.3. Excused Downtime. "**Excused Downtime**" time is Downtime caused by: (a) services, software or hardware provided by anyone or any entity other than ZOLL, (b) software, services or systems operating outside of a ZOLL Site, including any software or systems operating on a Customer's premises (including ZOLL software); (c) a Force Majeure Event or (d) Customer's failure to comply with its obligations under the Agreement or use of the ASP Services in ways that were not intended.

3.4.4. Unplanned Downtime. Unplanned Downtime in a calendar month is expressed as a percentage calculated as follows:

$$\frac{\text{(Downtime - (Planned Downtime + Excused Downtime))}}{\text{Total number of minutes in the calendar month}} \times 100 = x\ \%, \text{ where "x" is Unplanned Downtime.}$$

3.4.5. Unplanned Downtime Goal. ZOLL shall provide the ASP Services such that there is less than 1% of Unplanned Downtime in a calendar month (the "**Unplanned Downtime Goal**"). The ASP Services covered by the Unplanned Downtime Goal are those for which Customer has paid all Fees when due and is using in the course of carrying out its normal business operations in accordance with the Agreement.

3.4.6. Revocation of Administrative Rights. Notwithstanding anything to the contrary in the Agreement, ZOLL may revoke administrative rights, including database access rights, if the use of any such rights results in Downtime.

3.4.7. Customer Content; Security; Backup.

3.4.7.1. Customer Content. As between ZOLL and Customer, and without limiting the rights of any patient, Customer will retain all right, title and interest in and to all data, information or other content provided by Customer in its use of the ASP Services ("**Customer Content**"); *provided, however*, that ZOLL may de-identify and use Customer Content for any lawful purpose consistent with all applicable law.

3.4.7.2. Security. Subject to Customer's obligations under this Agreement, ZOLL will implement commercially reasonable security measures within the ASP Services in an attempt to prevent unlawful access to Customer Content by third parties. Such measures may include, where appropriate, use of updated firewalls, commercially available virus screening software, logon identification and passwords, encryption, intrusion detection systems, logging of incidents, periodic reporting, and prompt application of current security patches and virus definitions.

3.4.7.3. Backup of Customer Content (Not Applicable to Remote View). Although ZOLL will use commercially reasonable efforts to maintain the integrity of the Customer Content, to back up the Customer Content, and to provide full and ongoing access to the ASP Services, loss of access to the ASP Services and loss of Customer Content may occur. Customer will make provision for additional back-up storage of any critical Customer Content and shall be responsible for compliance with all records retention requirements applicable to Customer. ZOLL will not be responsible for any loss, corruption of or inaccessibility of the Customer Content due to interruption in the ASP Services or otherwise arising out of circumstances not within ZOLL's control.

3.4.7.4. Availability of Customer Content (Not Applicable to Remote View). It is Customer's responsibility to maintain any Customer Content that it requires for archival purposes, ongoing management of its operations and compliance with applicable records retention requirements. Unless specified otherwise in the Agreement, ZOLL will store Customer Content, other than Inactive Customer Content as defined below (the "**Active Customer Content**"), in ZOLL's working data set until the earlier of (i) five years (calculated from the date of creation of such Customer Content, or ZOLL's receipt of such Customer Content, whichever is later) or (ii) the expiration or termination of this Agreement or the Order under which such Active Customer Content was stored (the "**Active Retention Period**"). Upon the expiration of the Active Retention Period, ZOLL will notify Customer in writing and will provide Customer the option, which Customer shall exercise by informing ZOLL in writing, within 30 days of receiving the notice, that either (a) Customer wishes to receive Active Customer Content in a database determined by ZOLL in its sole and absolute discretion (a "**Database**"), or (b) Customer will pay ZOLL, at ZOLL's then-current storage rates and upon ZOLL's then-current terms and conditions, to continue to store the Active Customer Content. If Customer fails to exercise one of the foregoing options within such 30-day period, ZOLL will have the right to destroy the Active Customer Content. During the time ZOLL stores Customer Content for Customer hereunder, ZOLL may periodically identify Customer Content that has had no activity associated with it for at least 180 days ("**Inactive Customer Content**") and will notify Customer in writing of its intent to remove the Inactive Customer Content from ZOLL's working data set and destroy such data, unless Customer requests, in writing, within 30 days of receiving the notice from ZOLL, that either (z) Customer wishes to receive the Inactive Customer Content in a Database, or (y) Customer will pay ZOLL, at ZOLL's then-current storage rates and upon ZOLL's then-current terms and conditions, to continue to store such Inactive Customer Content. If Customer fails to exercise one of the foregoing options within such 30-day period, ZOLL will have the right to destroy the applicable Inactive Customer Content in its possession or under its control. Except for this Section 3.4.7.4, the terms of Section 3.4 (including, without limitation, the Unplanned Downtime Goal) do not apply to Customer's access of Inactive Customer Content. Customer represents, warrants and agrees that it (A) is solely responsible for determining the retention period applicable to it with respect to Customer Content maintained by ZOLL; (B) has consulted with or has had the opportunity to consult with legal, information governance or records management professionals; and (C) is not relying upon ZOLL to assist with determining the records maintenance or retention requirements applicable to it.

3.4.8. Remedies. A "**Service Credit**" means a percentage of the monthly Fee to be credited to Customer (subject to Customer's written request therefor and ZOLL's verification thereof) for any ASP Service for which the Unplanned Downtime Goal is exceeded in a calendar month. For any calendar month where the aggregate total of Unplanned Downtime for any ASP Service exceeds one percent ZOLL will provide a 10% Service Credit towards Customer's monthly Fee for such ASP Service that was affected; *provided, that* Customer (i) requests such Service Credit in writing within 30 days of the end of the calendar month in which such Unplanned Downtime occurred, (ii) includes in such request the nature of, and date and time of such Unplanned Downtime and (iii) such Unplanned Downtime is verified by ZOLL. Such Service Credit will be applied to a future month's invoice for such ASP Services, which typically is two months later. Failure to submit a written request for Service Credit as provided in this Section 3.4.8 shall constitute a waiver of such Service Credit by Customer. Further, Service Credits shall not be issued if Customer is not current on all Fees due and payable. The remedy set forth in this Section 3.4.8 shall be the Customers' sole and exclusive remedy with respect to ZOLL exceeding the Unplanned Downtime Goal.

3.4.9. Modifications. Changes to this Section 3.4 may be made from time to time at ZOLL's sole discretion. Customer will be notified of any such changes that are material.

4. Implementation Services. ZOLL shall provide ASP Services implementation, training and any related services identified in an Order (the "**Implementation Services**"). Customer shall, in a timely manner and at its own expense, cooperate and provide or make available to ZOLL access to the Customer's premises, systems, telephone, terminals and facsimile machines and all relevant information, documentation and staff reasonably required by ZOLL to enable ZOLL to perform the Implementation Services. Customer acknowledges that any time frames or dates for completion of the Implementation Services set out in an Order are estimates only and

the ability to meet them is influenced by a range of factors including, without limitation, response times and level of cooperation of Customer. Any obligations as to time are therefore on a "reasonable efforts" basis only and ZOLL shall not be liable for failure to meet time frames or completion dates unless solely due to ZOLL's negligence.

5. Support Services. ZOLL shall provide the following Support Services for ASP Services without any additional Fees, except that ZOLL will have no obligation to provide such Support Services if any Fees for ASP Services are past due.

5.1. Support.

5.1.1. Emergency Support. ZOLL shall provide telephone support to Customer for 24 hours a day, 7 days a week, to address Errors that prevent Customer from using Supported ASP Services for a purpose for which Customer has an immediate and material need. "**Supported ASP Services**" means the ASP Services for which Customer has paid the then-current Fees. "**Supported Environment**" means a browser and other technical environment that supports the use of the ASP Services in accordance with the Documentation. "**Error**" means a reproducible defect in the Supported ASP Services when operated in accordance with the Documentation in a Supported Environment that causes the Supported ASP Services not to operate substantially in accordance with such Documentation.

5.1.2. Technical Support. ZOLL shall provide telephone support to Customer during 6 a.m. to 6 p.m. Eastern Time, Monday to Friday, excluding ZOLL holidays ("**Business Hours**") to address all other Errors relating to any Supported ASP Services. Such telephone support will include (i) clarification of functions and features of the Supported ASP Services; (ii) clarification of the Documentation; (iii) guidance in operation of the Supported ASP Services; (iv) assistance in identifying and verifying the causes of suspected Errors in the Supported ASP Services; and (v) advice on bypassing identified Errors in the Supported ASP Services, if reasonably possible. Responses to such reporting shall be provided at a minimum within twenty-four (24) hours during Business Hours.

5.1.3. Resolution. ZOLL shall use commercially reasonable efforts to provide a modification or workaround to Supported ASP Services that resolves an Error in all material respects ("**Resolution**").

5.1.4. Expenses. Support Services provided hereunder shall be provided from Chelmsford, Massachusetts or Broomfield, Colorado, as determined in ZOLL's sole discretion. Should Customer request that ZOLL send personnel to Customer's location to resolve any Error in the Supported ASP Services, ZOLL may charge Customer a fee of $2,500 for each day ZOLL personnel is at Customer's location.

5.1.5. Exceptions. ZOLL shall have no responsibility under this Agreement to fix any Errors arising out of or related to the following causes: (a) Customer's modification or combination of the Access Software (in whole or in part), (b) use of the Supported ASP Services in an environment other than a Supported Environment; or (c) accident; unusual physical, electrical or electromagnetic stress; neglect; misuse; failure or fluctuation of electric power, air conditioning or humidity control; failure of media not furnished by ZOLL; excessive heating; fire and smoke damage; operation of the Supported ASP Services with other media and hardware, software or telecommunication interfaces; or causes other than ordinary use. Any corrections performed by ZOLL for such Errors shall be made, in ZOLL's reasonable discretion, at ZOLL's then-current time and material charges. ZOLL will provide the Support Services only for the most current release and the one immediately preceding major release of any Access Software. Notwithstanding anything to the contrary in the Agreement, (i) ZOLL may cease providing Support Services for any ASP Services upon at least six (6) months advance notice to Customer of such cessation and (ii) Support Services do not cover Third Party Products or Services (defined below).

5.2. Conditions and Limitations. Customer shall provide ZOLL with access to Customer's personnel and its equipment. This access must include the ability to remotely access the equipment on which the Supported ASP Services are operating and to obtain the same access to the equipment as those of Customer's employees having the highest privilege or clearance level. ZOLL will inform Customer of the specifications of the remote access methods available and associated software needed, and Customer will be responsible for the costs and use of said equipment. Fees for third party software and services are set by the owner of such software.

6. Warranties.

6.1. Implementation Services and Support Services. Subject to Customer's payment of the Fees, ZOLL warrants that any Implementation Services or Support Services provided to Customer will be performed with due care in a professional and workmanlike manner. ZOLL shall, as its sole obligation and Customer's sole and exclusive remedy for any breach of the warranty set forth in this Section 6.1, perform again the Implementation Services or Support Services that gave rise to the breach or, in the case of Implementation Services, at ZOLL's option, refund the Fees for such Implementation Services paid by Customer for the Implementation Services which gave rise to the breach. The availability of any remedy for a breach of the warranty set forth in this Section 6.1 is conditioned upon Customer notifying ZOLL in writing of such breach within thirty (30) days following performance of the defective Implementation Services or Support Services, specifying the breach in reasonable detail.

6.2. ASP Services and Access Software. Subject to Customer's payment of the Fees, ZOLL represents and warrants with respect to any ASP Services that (i) ZOLL has the right to license the Access Software and Documentation and make the ASP Services available to Customer pursuant to this Agreement and (ii) the ASP Services, when used as permitted and in accordance with the Documentation, will materially conform to the Documentation. ZOLL does not warrant that Customer's use of the ASP Services will be error free or uninterrupted. Customer will notify ZOLL in writing of any breach of this warranty with respect to any ASP Services prior to the expiration or termination of the Order for such ASP Services. If ZOLL is unable to provide a correction or work-around pursuant to the terms governing the provision of the ASP Services after using commercially reasonable efforts, ZOLL may terminate such Order upon written notice to Customer. Any such correction or work-around shall not extend the term of such Order. This Section 6.2 sets forth Customer's exclusive remedy, and ZOLL's entire liability, for breach of the warranty for the ASP Services contained herein.

6.3. Warranty Disclaimers. The warranties for the Software and Services are solely and expressly as set forth in Section 6.1 and Section 6.2 and are expressly qualified, in their entirety, by this Section 6.3. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 6.1 AND SECTION 6.2, (A) THE SOFTWARE AND SERVICES ARE PROVIDED STRICTLY "**AS IS**", WITHOUT ANY WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY, WRITTEN OR ORAL; (B) ZOLL DOES NOT PROMISE THAT THE SOFTWARE OR SERVICES WILL BE SECURE, UNINTERRUPTED OR ERROR-FREE OR THAT THEY ARE SUITABLE FOR THE PARTICULAR NEEDS OF CUSTOMER, REGISTERED USERS OR ANY THIRD PARTY; AND (C) ZOLL SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON INFRINGEMENT, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE OR USAGE IN TRADE. CUSTOMER ACKNOWLEDGES THAT IT HAS RELIED ON NO WARRANTIES OTHER THAN THE EXPRESS WARRANTIES IN THIS AGREEMENT, AND THAT NO WARRANTIES ARE MADE BY ANY OF ZOLL'S LICENSORS OR SUPPLIERS WITH RESPECT TO THIRD PARTY PRODUCTS OR SERVICES. Customer acknowledges and agrees that, in entering into this Agreement, it has not relied upon the future availability of any new or enhanced feature or functionality, or any new or enhanced product or service, including, without limitation, updates or upgrades to ZOLL's existing products and services. ZOLL's performance obligations hereunder are limited to those expressly enumerated herein, and payment for ZOLL's performance obligations shall be due as described herein.

7. Confidentiality. Neither party will use any trade secrets, information, or other material, tangible or intangible, that relates to the business or technology of the other party and is marked or identified as confidential or is disclosed in circumstances that would lead a reasonable person to believe such information is confidential

("**Confidential Information**") for any purpose not expressly permitted by this Agreement, and will further disclose the Confidential Information of the party disclosing it ("**Disclosing Party**") only to the employees or contractors of the party receiving it ("**Receiving Party**") who have a need to know such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than the Receiving Party's duty hereunder. The Receiving Party will protect the Disclosing Party's Confidential Information from unauthorized use, access, or disclosure in the same manner as the Receiving Party protects its own confidential or proprietary information of a similar nature and with no less than reasonable care. The ASP Services, Software and Documentation shall be ZOLL's Confidential Information (including without limitation any routines, subroutines, directories, tools, programs, or any other technology included in the Software), notwithstanding any failure to mark or identify it as such. The Receiving Party's obligations under this Section 7 with respect to any Confidential Information of the Disclosing Party will terminate when and to the extent the Receiving Party can document that such information: (a) was already lawfully known to the Receiving Party at the time of disclosure by the Disclosing Party; (b) is disclosed to the Receiving Party by a third party who had the right to make such disclosure without any confidentiality restrictions; (c) is, or through no fault of the Receiving Party has become, generally available to the public; or (d) is independently developed by the Receiving Party without access to, or use of, Confidential Information. In addition, the Receiving Party may disclose Confidential Information of the Disclosing Party to the extent that such disclosure is: (i) necessary for the Receiving Party to enforce its rights under this Agreement in connection with a legal proceeding; or (ii) required by law or by the order of a court or similar judicial or administrative body, provided that the Receiving Party notifies the Disclosing Party of such disclosure in writing prior to making such disclosure and cooperates with the Disclosing Party, at the Disclosing Party's reasonable request and expense, in any lawful action to contest or limit the scope of such disclosure.

8. Indemnification.

8.1. By ZOLL. ZOLL will defend, at its own expense, any action against Customer or its or any of its agents, officers, director, or employees ("**Customer Parties**") brought by a third party alleging that any Software or Services infringe any U.S. patents or any copyrights or misappropriate any trade secrets of a third party, and ZOLL will pay those costs and damages finally awarded against the Customer Parties in any such action that are specifically attributable to such claim or those costs and damages agreed to in a monetary settlement of such action. The foregoing obligations are conditioned on Customer: (a) notifying ZOLL promptly in writing of such claim or action; (b) giving ZOLL sole control of the defense thereof and any related settlement negotiations; and (c) cooperating with ZOLL and, at ZOLL's request and expense, assisting in such defense. If any of the Software or Services become, or in ZOLL's opinion is likely to become, the subject of an infringement claim, ZOLL may, at its sole option and expense, either: (i) procure for Customer the right to continue using such Software or Services; (ii) modify or replace such Software or Services with substantially similar software or services so that such Software or Services becomes non-infringing; or (iii) terminate this Agreement, in whole or in part. Notwithstanding the foregoing, ZOLL will have no obligation under this Section 8.1 or otherwise with respect to any infringement claim based upon: (1) use of any of the Software or Services not in accordance with this Agreement; (2) any use of any Software or Services in combination with products equipment, software, services or data not supplied by ZOLL if such infringement would have been avoided but for the combination with other products, equipment, software, services or data; (3) the failure of Customer to implement any replacements, corrections or modifications made available by ZOLL for any Software or Services including, but not limited to, any use of any release of the Software other than the most current release made commercially available by ZOLL; (4) any Customer Content; or (5) any modification of any Software or Services or use thereof by any person other than ZOLL or its authorized agents or subcontractors. This Section 8 states ZOLL's entire liability and the exclusive remedy for any claims of infringement.

8.2. By Customer. Customer shall indemnify, defend and hold ZOLL and its agents, officers, directors and employees (the "**ZOLL Parties**") harmless from and against any and all liabilities, losses, expenses, damages and claims (collectively, "**Claims**") that arise out of the following except to the extent the Claims are due to the gross negligence, intentional misconduct or breach of this Agreement by the ZOLL Parties: (i) information provided to any of the ZOLL Parties by any of the Customer Parties; (ii) any of the Customer Parties' use or misuse of any of the Software or Services, including without limitation in combination with Customer's software or services or third party software or services; (iii) any modifications made by any of the Customer Parties to any of the Software or Services; (iv) infringement by any of the Customer Parties of any third party intellectual property right; (v) Taxes (other than taxes based on ZOLL's net income) and any related penalties and interest, arising from the payment of the Fees or the delivery of the Software and Services to Customer; and (ix) any violation of laws or regulations, including without limitation applicable export and import control laws and regulations in the use of any of the Software or Services, by any of the Customer Parties.

9. Limitation of Liability. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT WILL ZOLL OR ITS AFFILIATES, SUBCONTRACTORS OR SUPPLIERS, OR ANY OF THEIR OFFICERS OR DIRECTORS, BE LIABLE, EVEN IF ADVISED OF THE POSSIBILITY, FOR: (i) SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE), (ii) LOSS OF PROFIT, DATA, BUSINESS OR GOODWILL, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES OR (iii) ANY LOSSES, COSTS OR DAMAGES ASSOCIATED WITH CUSTOMER'S PRODUCTS OR OTHER ELEMENTS INCORPORATED OR USED THEREWITH WHICH WERE NOT PROVIDED BY ZOLL OR WITH RESPECT TO ANY MODIFICATIONS MADE TO THE SOFTWARE OR SERVICES OR MISUSE OF THE SOFTWARE OR SERVICES. ZOLL'S TOTAL CUMULATIVE LIABILITY IN CONNECTION WITH THIS AGREEMENT, WHETHER IN CONTRACT OR TORT OR OTHERWISE, WILL NOT EXCEED THE AMOUNT PAID TO ZOLL BY CUSTOMER FOR THE SOFTWARE AND SERVICES PROVIDED UNDER THIS AGREEMENT DURING THE 12-MONTH PERIOD PRECEDING THE EVENTS GIVING RISE TO SUCH LIABILITY. Customer acknowledges that these limitations reflect the allocation of risk set forth in this Agreement and that ZOLL would not enter into this Agreement without these limitations on its liability. Customer agrees that these limitations shall apply notwithstanding any failure of essential purpose of any limited remedy. The remedies in this Agreement are Customer's sole and exclusive remedies. In addition, ZOLL disclaims all liability of any kind of ZOLL's licensors and suppliers, for third party products or services, and for the actions or omissions of Customer's representatives.

10. Ownership. All right, title and interest, including but not limited to all existing or future copyrights, trademarks, service marks, trade secrets, patents, patent applications, know how, moral rights, contract rights, and proprietary rights, and all registrations, applications, renewals, extensions, and combinations of the foregoing, in and to the following are the exclusive property of ZOLL (or, as the case may be, its subsidiaries, licensors and suppliers): (i) ASP Services, Software, Documentation, and all proprietary technology used by ZOLL to perform its obligations under this Agreement; (ii) all software, tools, routines, programs, designs, technology, ideas, know-how, processes, techniques and inventions that ZOLL makes, develops, conceives or reduces to practice, whether alone or jointly with others, in the course of performing the Services; (iii) the fully compiled version of any of the foregoing software programs that can be executed by a computer and used without further compilation (the "**Executable Code**"); (iv) the human readable version of any of the foregoing software programs that can be compiled into Executable Code (the "**Source Code**"); and (v) all enhancements, modifications, improvements and derivative works of each and any of the foregoing (the "**ZOLL Property**"). If any derivative work is created by Customer from the Software or Services, ZOLL shall own all right, title and interest in and to such derivative work. Any rights not expressly granted to Customer hereunder are reserved by ZOLL (or its licensors and suppliers, as the case may be).

11. Term and Termination.

11.1. Term. The term of this Agreement ("**Term**") begins on the effective date of the first Order incorporating this Agreement and continues until it is terminated. The term of each Order begins on the effective date of such Order and continues until it expires or is terminated; *provided, however*, that such term (and any extension thereof) shall automatically renew for an equivalent period at ZOLL's then current list pricing unless either party notifies the other party in writing of an intent to not renew such term at least ninety (90) days prior to the expiration of such term. "**Implementation Date**" for any ASP Services means the earlier of (a) the date upon which the activation of such ASP Services is complete and such ASP Services are able to function as described in the warranty for such ASP Services, regardless of whether Customer uses such ASP Services or (b) one hundred eighty (180) days following the shipment of the monitor/defibrillators in connection with which such ASP Services are to be used, unless a delay in the activation of such ASP Services is caused by ZOLL, in which case the Implementation Date shall be postponed by a number of days equal to the delay that ZOLL has caused; or (c) if Customer does not use Implementation Services to activate such ASP Services, the date of the Order for such ASP Services.

11.2. Termination. Either party may terminate this Agreement or any Order without cause on thirty (30) days' prior written notice to the other party. Either party may terminate this Agreement or any Order if the other party materially defaults in the performance of any of its obligations hereunder and fails to cure such default within twenty (20) days after written notice from the non-defaulting party.

11.3. Effects of Termination. Upon expiration or termination of this Agreement or any Order for any reason: (a) all amounts, if any, owed to ZOLL under this Agreement or the Order that has expired or been terminated (the "**Expired or Terminated Document**") before such termination or expiration will become immediately due and payable; (b) Customer's right to access the ASP Services, and all licensed rights granted, in the Expired or Terminated Document will immediately terminate and cease to exist; and (c) Customer must (i) promptly discontinue all use of any ASP Services provided under the Expired or Terminated Document (ii) erase all copies of Access Software from Customer's computers and the computers of its customers and return to ZOLL or destroy all copies of such Access Software and related Documentation on tangible media in Customer's possession and (iii) return or destroy all copies of the Documentation in Customer's possession or control; (d) each party shall promptly discontinue all use of the other party's Confidential Information disclosed in connection with the Expired or Terminated Document and return to the other party or, at the other party's option, destroy, all copies of any such Confidential Information in tangible or electronic form. Additionally, if any Order for ASP Services is terminated by ZOLL for a material default or by Customer without cause, then Customer immediately shall pay ZOLL an early termination fee equal to the amount of (x) the Fees for such ASP Services otherwise payable during the initial term of such Order had such Order not been terminated during such term minus (y) the sum of such Fees paid by Customer to ZOLL prior to the date of termination. Upon ZOLL's request, Customer will provide a written certification (in a form acceptable to ZOLL), certifying as to Customer's compliance with its post-termination obligations set forth in this Section 11.3.

12. General Provisions.

12.1. Compliance with Laws. Customer shall comply with all applicable laws and regulations, and obtain required authorizations, concerning its use of the ASP Services, including without limitation if applicable all export and import control laws and regulations. Customer will not use any ASP Services for any purpose in violation of any applicable laws. ZOLL may suspend performance if Customer violated applicable laws or regulations.

12.2. Audits and Inspections. Upon written request from ZOLL, Customer shall furnish ZOLL with a certificate signed by an officer of Customer stating that the ASP Services are being used strictly in accordance with the terms and conditions of this Agreement. During the Term and for a period of six months following the termination or expiration of this Agreement, upon prior written notice, ZOLL will have the right, during normal business hours, to inspect, or have an independent audit firm inspect, Customer's records relating to Customer's use of the ASP Services to ensure it is in compliance with the terms of this Agreement. The costs of the audit will be paid by ZOLL, unless the audit reveals that Customer's underpayment of Fees exceeds five percent. Customer will promptly pay to ZOLL any amounts shown by any such audit to be owing (which shall be calculated at ZOLL's standard, non-discounted rates) plus interest as provided in Section 2 above.

12.3. Assignments. Customer may not assign or transfer, by operation of law or otherwise (including in connection with a sale of substantially all assets or equity, merger or other change in control transaction), any of its rights under this Agreement or any Order to any third party without ZOLL's prior written consent. Any attempted assignment or transfer in violation of the foregoing will be null and void. ZOLL shall have the right to assign this Agreement or any Order to any affiliate, or to any successor to its business or assets to which this Agreement relates, whether by merger, sale of assets, sale of stock, reorganization or otherwise, and to contract with any third party to provide part of any of the Software and Services, and to delegate performance of this Agreement or any Order to any of its subsidiaries.

12.4. U.S. Government End Users. If Customer is a branch or agency of the United States Government, the following provision applies. The Software and Documentation are composed of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R. 12.212 (SEPT 1995) and are (i) for acquisition by or on behalf of civilian agencies, consistent with the policy set forth in 48 C.F.R. 12.212; or (ii) for acquisition by or on behalf of units of the Department of Defense, consistent with the policies set forth in 48 C.F.R. 227.7202 1 (JUN 1995) and 227.7202 3 (JUN 1995).

12.5. Notices. All notices, consents, and approvals under this Agreement must be delivered in writing by electronic mail, courier, electronic facsimile, or certified or registered mail (postage prepaid and return receipt requested) to the other party at the address set forth in the most recent Order (or to such other address or person as from time to time provided by such party in accordance with this Section 12.5), and will be effective upon receipt or three (3) business days after being deposited in the mail as required above, whichever occurs sooner.

12.6. Governing Law and Venue; Waiver of Jury Trial. This Agreement will be governed by and interpreted in accordance with the laws of the State of Colorado without reference to its choice of law rules. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. Any action or proceeding arising from or relating to this Agreement shall be brought in a federal or state court in the State of Colorado, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

12.7. Remedies. Except as otherwise expressly provided in this Agreement, the parties' rights and remedies under this Agreement are cumulative. Customer acknowledges that the Software and Services are built on valuable trade secrets and proprietary information of ZOLL, that any actual or threatened breach hereof will constitute immediate, irreparable harm to ZOLL for which monetary damages would be an inadequate remedy, and that ZOLL will be entitled to injunctive relief for such breach or threatened breach. Customer further agrees to waive and hereby waives any requirement for the security or the posting of any bond in connection with such remedies. Such remedies shall not be considered to be the exclusive remedies for any such breach or threatened breach, but shall be in addition to all other remedies available at law or equity to ZOLL.

12.8. Waivers. Any waiver or failure to enforce any provision of this Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion.

12.9. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, such provision will be changed and interpreted to accomplish the objectives of such provision to the greatest extent possible under applicable law and the remaining provisions of this Agreement will continue in full force

and effect. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in full force and effect, and be construed and enforced, as if such provision had not been included, or had been modified as above provided, as the case may be.

12.10. Independent Contractors. The parties are entering into, and will perform, this Agreement as independent contractors. Nothing in this Agreement will be construed to make either party the agent of the other for any purpose whatsoever, to authorize either party to enter into any contract or assume any obligation on behalf of the other or to establish a partnership, franchise or joint venture between the parties.

12.11. Third Parties. Customer is solely responsible for, and none of the fees set forth herein shall be deemed to cover, any amounts owed to third parties in connection with the use of the ASP Services. If Customer engages a third-party provider ("**Third Party Provider**") to deliver products or services, including without limitation software, integrated into or receiving data from or accessing the ASP Services ("**Third Party Products or Services**"), Customer represents, warrants and agrees that: (i) ZOLL shall have no liability, and makes no representation, with respect to such Third Party Products or Services; and (ii) the Third Party Provider shall not be an agent of ZOLL. To the extent the ASP Services or Software contains software owned by a third party for which ZOLL has a license agreement with a third party, the ASP Services and Software and all rights granted hereunder are expressly limited by and subject to any license agreements ZOLL may have for such software.

12.12. Force Majeure. Neither party shall be liable for damages for any delay or failure of performance hereunder (other than payment obligation) arising out of causes beyond such party's reasonable control and without such party's fault or negligence, including, but not limited to, failure of its suppliers to timely deliver acceptable parts or services, any act or omission of Customer that interferes with or impedes ZOLL's performance hereunder, acts of God, acts of civil or military authority, fires, riots, wars, embargoes, Internet disruptions, hacker attacks, or communications failures (a "**Force Majeure Event**").

12.13. Entire Agreement; Amendment; No Third Party Beneficiaries; Survival. This Agreement, which may be accepted by performance, constitutes the entire agreement between the parties regarding the subject hereof and supersedes all prior or contemporaneous agreements, understandings, and communication, whether written or oral, except agreements at zollonline.com. Any other representation or agreement, whether written or oral, including but not limited to any purchase order issued by Customer, shall be wholly inapplicable to the Software and Services and shall not be binding in any way on ZOLL. This Agreement may not be amended or changed or any provision hereof waived except in writing signed by both parties. Any different or additional terms in any purchase order, confirmation or similar form issued or otherwise provided by Customer but not signed by an authorized representative of ZOLL shall have no force or effect. There are no third party beneficiaries of this Agreement. Those provisions of this Agreement that may be reasonably interpreted as surviving termination of this Agreement or the survival of which is necessary for the interpretation or enforcement of this Agreement shall continue in full force and effect in accordance with their terms notwithstanding the termination hereof including, but not limited to, Section 7 (Confidentiality), Section 8 (Indemnification), Section 9 (Limitation on Liability), Section 10 (Ownership), Section 11.3 (Effects of Termination) and Section 12 (General Provisions). This Agreement may be executed in counterparts, each of which will be considered an original, but all of which together will constitute the same instrument.

13. HIPAA. This Section 13 applies if and to the extent that ZOLL creates, receives, maintains or transmits, directly or indirectly, any protected health information of Customer ("**PHI**") in the course of providing Software or Services to Customer. Capitalized terms used but not defined in this Section 13 have the meanings assigned to them elsewhere in the Agreement or, if not defined therein, as defined in the Health Insurance Portability and Accountability Act of 1996 (P.L. 104 191), 42 U.S.C. Section 1320d, et seq., and regulations promulgated thereunder, as amended from time to time (such statute and regulations collectively referred to as "**HIPAA**"). "**Covered Entity"** as used herein means Customer. "**Business Associate"** as used herein means ZOLL. The purpose of this Section 13 is to comply with 45 C.F.R. §164.502(e) and §164.504(e), governing PHI and business associates under HIPAA

13.1. Applicability. This Section 13 applies if and to the extent that Business Associate creates, receives, maintains or transmits, directly or indirectly, any PHI in the course of providing Software or Services to Covered Entity.

13.2. Compliance and Agents. Business Associate agrees that, to the extent it has access to PHI, Business Associate will fully comply with the requirements of this Section 13 with respect to such PHI. Business Associate will ensure that every agent, including a subcontractor, of Business Associate to whom it provides PHI received from, or created or received by Business Associate on behalf of, Covered Entity will comply with the same restrictions and conditions as set forth herein.

13.3. Use and Disclosure; Rights. Business Associate agrees that it shall not use or disclose PHI except as permitted under this Agreement, and in compliance with each applicable requirement of 45 CFR Section 164.504(e). Business Associate may use or disclose the PHI received or created by it, (a) to perform its obligations under this Agreement, (b) to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Agreement, or (c) to provide data aggregation functions to Covered Entity as permitted by HIPAA. Further, Business Associate may use the PHI received by it in its capacity as Business Associate, if necessary, to properly manage and administer its business or to carry out its legal responsibilities. Business Associate may disclose the PHI received by it in its capacity as Business Associate to properly manage and administer its business or to carry out its legal responsibilities if: (a) the disclosure is required by law, or (b) the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it is disclosed to the person and the person notifies Business Associate of any instances of which it is aware that the confidentiality of the information has been breached. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by Covered Entity.

13.4. Safeguards. Business Associate agrees to develop, document, use, and keep current appropriate procedural, physical, and electronic safeguards, as required in 45 C.F.R. §§164.308 - 164.312, sufficient to prevent any use or disclosure of electronic PHI other than as permitted or required by this Agreement.

13.5. Minimum Necessary. Business Associate will limit any use, disclosure, or request for use or disclosure to the minimum amount necessary to accomplish the intended purpose of the use, disclosure, or request.

13.6. Report of Improper Use or Disclosure. Business Associate shall report to Covered Entity any information of which it becomes aware concerning any use or disclosure of PHI that is not permitted by this Agreement and any security incident of which it becomes aware. Business Associate will, following the discovery of a breach of "**unsecured protected health information**," as defined in 45 C.F.R. § 164.402, notify Covered Entity of such breach within 15 days. The notice shall include the identification of each individual whose unsecured protected health information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or disclosed during such breach. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Agreement.

13.7. Individual Access. In accordance with an individual's right to access to his or her own PHI in a designated record set under 45 CFR §164.524 and the individual's right to copy or amend such records under 45 CFR §164.524 and §164.526, Business Associate shall make available all PHI in a designated record set to Covered Entity to enable the Covered Entity to provide access to the individual to whom that information pertains or such individual's representative.

ZOLL Medical Corporation
269 Mill Road
Chelmsford, MA 01824-4105
Federal ID# 04-2711626

Phone: (800) 348-9011
Fax: (978) 421-0015
Email: esales@zoll.com

South Lake Tahoe Fire Dept
Quote No: Q-56947 Version: 2

13.8. Amendment of and Access to PHI. Business Associate shall make available for amendment PHI in a designated record set and shall incorporate any amendments to PHI in a designated record set in accordance with 45 CFR §164.526 and in accordance with any process mutually agreed to by the parties.

13.9. Accounting. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to an individual's request for an accounting of disclosures of their PHI in accordance with 45 CFR §164.528. Business Associate agrees to make available to Covered Entity the information needed to enable Covered Entity to provide the individual with an accounting of disclosures as set forth in 45 CFR §164.528.

13.10. DHHS Access to Books, Records, and Other Information. Business Associate shall make available to the U.S. Department of Health and Human Services ("**DHHS**"), its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity for purposes of determining the Covered Entity's compliance with HIPAA.

13.11. Individual Authorizations; Restrictions. Covered Entity will notify Business Associate of any limitation in its notice of privacy practices, any restriction to the use or disclosure of PHI that Covered Entity has agreed to with an individual and of any changes in or revocation of an authorization or other permission by an individual, to the extent that such limitation, restriction, change, or revocation may affect Business Associate's use or disclosure of PHI.

13.12. HITECH Act Compliance. Covered Entity and Business Associate agree to comply with the amendments to HIPAA included in the Health Information Technology for Economic and Clinical Health Act (the "**HITECH Act**"), including all privacy and security regulations issued under the HITECH Act that apply to Business Associate.

13.13. Breach; Termination; Mitigation. If Covered Entity knows of a pattern of activity or practice of Business Associate that constitutes a material breach or violation of Business Associate's obligations under this Section 13, Covered Entity and Business Associate shall take any steps reasonably necessary to cure such breach and make Business Associate comply, and, if such steps are unsuccessful, Covered Entity may terminate this Agreement. Business Associate shall take reasonable actions available to it to mitigate any detrimental effects of such violation or failure to comply.

13.14. Return of PHI. Business Associate agrees that upon termination of this Agreement, and if feasible, Business Associate shall (a) return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, that Business Associate has continued to maintain in any form or manner and retain no copies of such information or, (b) if such return or destruction is not feasible, immediately notify Covered Entity of the reasons return or destruction are not feasible, and extend indefinitely the protection of this Section 13 to such PHI and limit further uses and disclosures to those purposes that make the return or destruction of the PHI not feasible.

13.15. De-identified Health Information. Business Associate may de-identify any and all PHI and may create a "**Limited Data Set**" in accordance with 45 C.F.R. § 164.514(b) & (e). Covered Entity acknowledges and agrees that de-identified information is not PHI and that Business Associate may use such de-identified information for any lawful purpose. Use or disclosure of a Limited Data Set must comply with 45 CFR 164.514(e).

13.16. Survival. All representations, covenants, and agreements in or under this Section 13 shall survive the execution, delivery, and performance of this Agreement.

13.17. Further Assurances; Conflicts. Each party shall in good faith execute, acknowledge or verify, and deliver any and all documents which may from time to time be reasonably requested by the other party to carry out the purpose and intent of this Section 13. The terms and conditions of this Section 13 will override and control any expressly conflicting term or condition of the Agreement. All non-conflicting terms and conditions of the Agreement shall remain in full force and effect. Any ambiguity shall be resolved in a manner that will permit Covered Entity to comply with HIPAA. For the avoidance of doubt, a limitation on liability in the Agreement does not conflict with this Section 13.

13.18. Applicable Law. The parties acknowledge and agree that HIPAA may be amended and additional guidance or regulations implementing HIPAA may be issued after the date of the execution of this Agreement and may affect the parties' obligations hereunder. The parties agree to take such action as is necessary to amend this Agreement from time in order as is necessary for Covered Entity to comply with HIPAA.

By signing below, the Customer acknowledges and agrees to those terms and conditions. The person signing below represents and warrants that she or he has the authority to bind the Customer to those terms and conditions.

Customer

Signature:

_____

Name: _____

Title: _____

Company: _____

Company Address: _____

Date: _____

ZOLL Medical Corporation
269 Mill Road
Chelmsford, MA 01824-4105
Federal ID# 04-2711626

Phone: (800) 348-9011
Fax: (978) 421-0015
Email: esales@zoll.com

South Lake Tahoe Fire Dept
Quote No: Q-56947 Version: 2

ZOLL ONE PROGRAM
MASTER AGREEMENT

This ZOLL ONE PROGRAM MASTER AGREEMENT, including all attachments attached hereto and hereby made a part hereof ("Master Agreement"), is entered into by and between ZOLL Medical Corporation, a Massachusetts corporation with its principal place of business at 269 Mill Road, Chelmsford, MA 01824 ("Lessor"), and **South Lake Tahoe Fire Department** ("Lessee"). This agreement will be effective upon the date of last signature ("Effective Date").

1. MASTER AGREEMENT; SCHEDULES. Lessor hereby leases to Lessee and Lessee leases from Lessor the equipment ("Equipment") described in any Equipment Schedule executed from time to time by Lessor and Lessee, the form of which is attached as Exhibit A hereto (the "Schedule" or "Schedules"), upon the terms and conditions set forth in this Master Agreement and the Schedules. In addition to leasing the Equipment, Lessor will also provide Lessee with RescueNet® CaseReview pursuant to the terms and conditions of the ALS/BLS Software Solutions Master Application Service Provider Agreement attached as Exhibit B hereto (the "ASP Agreement"). In the event of any conflict between the terms and conditions contained in this Master Agreement and the terms and conditions contained in the ASP Agreement, the terms and conditions in Exhibit B shall control.

2. TERM. The initial term of this Master Agreement shall be ten (10) years ("Term") commencing and concurred as set forth by the Rental Term (defined hereinafter) for the first Schedule that applies to this Master Agreement. However, no termination by the Lessee of this Master Agreement shall be effective with respect to any Schedule until the expiration or termination of such Schedule and the satisfaction by Lessee of all of its obligations hereunder with respect thereto.

3. RENT; LATE CHARGES. As rent for the Equipment, Lessee agrees to pay the amounts specified in the applicable Schedule on the due dates specified therein ("Rent"). If any part of any Rent payment or other amount due under this Master Agreement is not paid within five (5) days of its due date, Lessee agrees to pay Lessor a charge for every month after the first month in which the amount is late to compensate Lessor for the inability to reinvest the amount, which charge is stipulated and liquidated at 1.5% of the delayed amount per month (or the lesser rate that is the maximum rate allowable under applicable law) in addition to the unpaid amount.

4. NON-CANCELABLE; WAIVER OF DEFENSES TO PAYMENT. Lessee agrees that it has an absolute and unconditional obligation to pay all Rent and other amounts when due. Lessee is not entitled to abate, reduce or recoup Rent or any other amount due, or to set off any charge against any such amount for any reason whatsoever. Lessee hereby waives any recoupment, crossclaim, counterclaim, or any other defense at law or in equity to any Rent payment or other amount due with respect to any Schedule, whether any such defense arises out of this Master Agreement. There is no "test period" for Equipment that would delay acceptance or the commencement of any Schedule term.

5. EQUIPMENT RETURN REQUIREMENTS. Upon expiration or earlier termination of this Master Agreement or an applicable Schedule, Lessee shall either (a) return the Equipment in accordance with this Section or (b) purchase the Equipment at the Fair Market Value as set forth in Section 8, in which case right, title and interest shall transfer to Lessee upon payment. In the event Lessee elects to return the Equipment to Lessor, such return must be made within sixty (60) days of the end of the applicable Rental Term or promptly upon Lessee receiving replacement Equipment, whichever occurs first. If Lessee fails to return Equipment to Lessor under the terms set forth in this section, then Lessee shall pay two times (2x) the monthly fee until the Equipment is received by Lessor. For all Equipment returned to Lessor, Lessee shall (a) remove any Lessee labels, tags or other non-factory markings on the Equipment and wipe clean or permanently delete all data contained on the Equipment, including, any data contained on internal or external drives, discs, or accompanying media, (b) pack the Equipment in accordance with the Lessor's guidelines, and (c) deliver such Equipment to Lessor at any destination within the continental United States designated by Lessor. All dismantling, packaging, transportation, in-transit insurance and shipping charges shall be borne by Lessee. All Equipment shall be returned to Lessor in the same condition and working order as when delivered to Lessee, reasonable wear and tear excepted. The return of the Equipment shall constitute a full release by Lessee of any leasehold rights or possessory interest in the Equipment.

6. EQUIPMENT USE; MAINTENANCE AND ADDITIONS. Lessee shall, at all times during the applicable Rental Term (a) operate and maintain the Equipment in good working order, repair and condition, and in accordance with the manufacturer's specifications and recommendations and, all applicable laws and regulations, and (b) purchase and use only accessories provided by Lessor for use with the Equipment. The ZOLL Worry-Free Service Plan described in Exhibit C is included in Rent. In the event of any conflict between the terms and conditions contained in this Master Agreement and the terms and conditions contained in Exhibit C (Worry-Free Service Plan), the terms and conditions in Exhibit C shall control. Lessee shall make no alterations or additions to the Equipment, except those that will not result in the creation of any security interest, lien or encumbrance on the Equipment or impair the value or use of the Equipment either at the time made or at the end of the Rental Term of the applicable Schedule, and that are readily removable without damage to the Equipment. Any such alterations or additions may void the Worry-Free Service Plan. Additionally, Lessor shall not be responsible for any Equipment defect or failure of the Equipment to perform any specified function, or any other nonconformance of the Equipment caused by or attributable to (i) any modification of the Equipment by the Lessee without prior written approval of Lessor; (ii) the use of the Equipment with any associated or complementary equipment accessory or software not specified by Lessor; (iii) any misuse or abuse of the Equipment: (iv) exposure of the Equipment to conditions beyond the environmental, power or operating constraints specified by Lessor; or (v) installation or wiring of the Equipment other than in accordance with Lessor's instructions. EXCEPT FOR THE WARRANTY SET FORTH IN LESSOR'S STANDARD PRODUCT WARRANTY, WITH RESPECT TO THE EQUIPMENT, IS EXCLUSIVE, AND LESSOR EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, IMPLIED OR STATUTORY,

INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE EQUIPMENT.

7. EQUIPMENT OWNERSHIP; LOCATION. Lessor is the sole owner of the Equipment and has sole title thereto. Lessee may not relocate any Equipment from the Equipment location specified in the applicable Schedule without the prior written consent of Lessor.

8. RISK OF LOSS AND INSURANCE. Lessee assumes any and all risk of loss or damage to the Equipment until such Equipment is returned to and received by Lessor in accordance with the terms and conditions of this Master Agreement. Lessee agrees to keep the Equipment insured at Lessee's expense against all risks of loss from any cause whatsoever, including, without limitation, loss by fire (including extended coverage), theft and damage, in an amount not less than (a) the sum of all Rent and other amounts due and owing with respect to such Equipment for the duration of the applicable Rental Term, plus the estimated total retail price that would be paid for such Equipment in an arm's length transaction ("Fair Market Value") as of the actual date the Schedule expires or is terminated, as applicable ("Stipulated Loss Value") or (b) with respect to any other Equipment, the replacement value thereof. Lessee also agrees that it shall carry commercial general liability insurance in an amount not less than $5,000,000 total liability per occurrence. Lessee shall cause Lessor and its affiliates, and its and their successors and assigns, to be named loss payees with respect to property insurance and additional insureds with respect to commercial general liability insurance. Each policy shall provide that the insurance cannot be canceled without at least thirty (30) days' prior written notice to Lessor. In the event of loss or claim, Lessee will be responsible for all deductibles and/or retentions. All insurance required by this Master Agreement shall include a waiver of rights of recovery against Lessor and its insurers by the Lessee and its insurers, as well as a waiver of subrogation against Lessor and its insurers. All insurance required by this Master Agreement is primary and non-contributory to any other insurance maintained by Lessor. Lessee shall provide to Lessor (i) on or prior to the delivery date for each Schedule ("Delivery Date"), and from time to time thereafter throughout the Rental Term of each Schedule, certificates of insurance evidencing such insurance coverage, and (ii) upon Lessor's request, copies of the insurance policies. If Lessee fails to provide Lessor with such evidence, then Lessor will have the right, but not the obligation, to purchase such insurance protecting Lessor at Lessee's expense. Lessee's expense shall include the full premium paid for such insurance and any customary charges, costs or fees of Lessor, including but not limited to deductibles and retentions in the event of loss. Lessee agrees to pay such amounts in substantially equal installments allocated to each Rent payment.

9. CASUALTY LOSS. Lessee shall notify Lessor of any condemnation, taking, loss, destruction, theft or damage beyond repair of Equipment ("Casualty Loss") or repairable damage to any Equipment not later than five (5) days following the date of any such occurrence. In the event any Casualty Loss shall occur, on the next Rent payment date Lessee shall pay Lessor the Stipulated Loss Value of the Equipment suffering the Casualty Loss. In the event of any repairable damage to any Equipment, the Rental Term shall continue with respect to such Equipment without any abatement of Rent and Lessee shall at its expense cause such Equipment to be repaired to the condition it is required to be maintained in pursuant to Section 5 not later than thirty (30) days from the date of the occurrence.

10. INSPECTION. Lessor and Lessor's agents shall have the right, from time to time, with prior notice to Lessee, during Lessee's normal business hours, and without disruption to Lessee's operations, to enter the premises where the Equipment is located for the purpose of inspecting the Equipment.

11. TAXES. Lessor shall report and pay all license and registration fees and all taxes, fees, levies, imposts, duties, assessments, charges and withholdings of any similar nature, however designated (including, any value added, transfer, sales, use, gross receipts, business, occupation, excise, personal property, real property, stamp or other taxes) ("Taxes") now or hereafter imposed or assessed by governmental body, agency or taxing authority upon the purchase, ownership, delivery, installation, leasing, rental, use or sale of the Equipment, the Rent or other charges payable hereunder, or otherwise upon or in connection with any Schedule, whether assessed on Lessor or Lessee, other than any such Taxes required by law to be reported and paid by Lessee ("Lessee Taxes"). Lessee shall within ten (10) days of receipt of invoice reimburse Lessor for all such Lessee Taxes paid by Lessor, together with any penalties or interest in connection therewith attributable to Lessee's acts or failure to act, excluding: (a) Lessee Taxes on or measured by the overall gross or net income of Lessor, (b) as to any Schedule or the related Equipment, Lessee Taxes attributable to the period after the return of such Equipment to Lessor, and (c) Lessee Taxes imposed as a result of a sale or other transfer by Lessor of any portion of its interest in any Schedule or in any Equipment, except for a sale or other transfer to Lessee or a sale or other transfer occurring after and during the continuance of any Lessee Default.

12. GENERAL INDEMNITY. To the extent permitted by applicable law, Lessee shall indemnify, defend, and hold harmless Lessor, its employees, officers, directors, agents and assignees from and against any and all claims arising out of or in connection with any matter involving this Master Agreement, the Equipment, or any Schedule.

13. TAX BENEFIT INDEMNITY. Lessor and Lessee agree that Lessor is entitled to certain federal, state and local tax benefits available to an owner of Equipment (collectively, "Tax Benefits"). Lessee represents, warrants, and covenants to Lessor that (a) all Equipment will be used solely within the United States; and (b) Lessee will take no position inconsistent with the assumption that Lessor is the owner of the Equipment for federal, state, and local tax purposes. If, due to any act or omission of Lessee or any party acting through Lessee, or the breach or inaccuracy of any representation, warranty or covenant of Lessee contained the Master Agreement, Lessor reasonably determines that it cannot claim, is not allowed to claim, loses or must recapture any or all of the Tax Benefits otherwise available with respect to the Equipment subject to any Schedule (a "Tax Loss"), then Lessee shall, promptly upon demand pay to Lessor an amount sufficient to provide Lessor the same after-tax rate of return and aggregate after-tax cash flow through the end of the then-applicable Rental Term of such Schedule that Lessor would have realized but for such Tax Loss except where the Lessor would not be entitled to such Tax Benefits.

14. LIMITATION OF LIABILITY. LESSEE EXPRESSLY AGREES THAT LESSOR SHALL NOT BE LIABLE UNDER ANY THEORY OF RECOVERY, WHETHER BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), UNDER WARRANTY, OR OTHERWISE, FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL LOSS OR DAMAGE WHATSOEVER; DAMAGE TO OR LOSS OF PROPERTY OR EQUIPMENT; LOSS OF PROFITS OR REVENUE; LOSS

OF USE OF LESSEE'S MATERIAL, EQUIPMENT OR SYSTEMS; INCREASED COSTS OF ANY KIND, INCLUDING BUT NOT LIMITED TO CAPITAL COST, OR CLAIMS OF CUSTOMERS OF LESSEE. LESSEE EXPRESSLY AGREES THAT THE REMEDIES PROVIDED HEREIN ARE EXCLUSIVE AND THAT UNDER NO CIRCUMSTANCES SHALL THE TOTAL AGGREGATE LIABILITY OF LESSOR UNDER ANY THEORY OF RECOVERY, WHETHER BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), UNDER WARRANTY, OR OTHERWISE, EXCEED THE TOTAL AMOUNT PAID TO LESSOR UNDER THIS MASTER AGREEMENT. THE PROVISIONS OF THIS SECTION SHALL PREVAIL OVER ANY CONFLICTING OR INCONSISTENT PROVISIONS SET FORTH ELSEWHERE IN THIS MASTER AGREEMENT.

15. LESSEE REPRESENTATIONS AND COVENANTS. Lessee represents, warrants and covenants to Lessor that as of the date of this Master Agreement and for so long as this Master Agreement shall remain in effect: (a) all Equipment will be used by properly trained representatives of Lessee; (b) Lessee is duly organized and validly existing under applicable law in its jurisdiction of formation; (c) Lessee has the power and authority to enter into this Master Agreement; (d) the execution, delivery and performance of the Master Agreement by Lessee have been duly authorized; (e) the execution, delivery and performance of the Master Agreement by Lessee do not (1) conflict with any of Lessee's organizational documents, (2) contravene, conflict with, constitute a default under or violate any laws applicable to the Lessee, (3) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any governmental authority by which Lessee or any of its subsidiaries or any of their property or assets may be bound or affected or (4) require any action by, filing, registration, or qualification with, or governmental approval from, any governmental authority not already obtained or completed; (f) the Master Agreement is enforceable against Lessee in accordance with its terms and such terms do not violate or create a default under any instrument or agreement binding on Lessee; (g) as of the date of its execution of this Master Agreement and as of the Delivery Date of any Equipment, there are no pending or threatened actions or proceedings before any court, administrative agency or other governmental authority related to this Master Agreement or the power or authority of Lessee to enter into this Master Agreement; (h) Lessee shall comply with the requirements of all applicable laws and regulations; (i) the Master Agreement shall be effective against all creditors of Lessee under applicable law, including fraudulent conveyance and bulk transfer laws, and shall raise no presumption of fraud; (j) all financial statements and other related information furnished by Lessee shall fairly present Lessee's financial position as of the dates given on such statements; (k) Lessee's name set forth in the signature block below is Lessee's full and accurate legal name; (l) Lessee's form and jurisdiction of organization, "location" (within the meaning of UCC Section 9-307), organization number and federal tax identification number are as set forth on Exhibit D hereto. Lessee agrees to provide Lessor advance written notice of any change in any of the representations and covenants set forth in clauses (g) through (l) of this Section 15.

16. FORCE MAJEURE. If the performance of any obligation under this Agreement by Lessor is prevented, restricted, or interfered with by reason of war, civil commotion, disruption in the supply chain, acts of public enemies, blockade, embargo, strikes, any law, order, proclamation, regulation, ordinance, demand, or requirement having a legal effect of any government or any judicial authority or representative of any such government, which is beyond the reasonable control of the Lessor, then the Lessor shall, upon giving prior written notice to the Lessee, be excused from such performance to the extent of such prevention, restriction, or interference, provided that the Lessor shall use reasonable commercial efforts to avoid or remove such causes of non-performance and shall continue performance hereunder with reasonable dispatch whenever such causes are removed. The Lessor shall not be in default if any delay or failure to perform any obligation hereunder is caused by events beyond such party's control.

17. DEFAULT. Any of the following shall constitute a default by Lessee under this Master Agreement and all Schedules: (a) Lessee fails to pay any Rent payment or any other amount payable to Lessor under this Master Agreement or any Schedule on the date due; or (b) Lessee defaults on or breaches any of the other terms and conditions of the Master Agreement or any Schedules; or (c) any representation or warranty made by Lessee in the Master Agreement proves to be incorrect, false or misleading when made or deemed made; or (d) any change occurs in relation to the business, management, ownership or financial condition of Lessee or any guarantor of all or any portion of Lessee's obligations under the Master Agreement or any Schedule ("Guarantor") that would have a material adverse effect on Lessee's ability to perform its obligations under this Master Agreement or any Schedule or Guarantor's ability to perform its obligations under its guaranty; or (e) Lessee or Guarantor dissolves or otherwise terminates its existence, ceases to do business or becomes insolvent or fails generally to pay its debts as they become due; or (f) any Equipment is levied against, seized or attached; or (g) Lessee or Guarantor makes an assignment for the benefit of creditors; or (h) a proceeding under any bankruptcy, reorganization, arrangement of debt, insolvency or receivership law is filed by or against Lessee or Guarantor (and, if such proceeding is involuntary, it is not dismissed within sixty (60) days after the filing thereof) or Lessee or Guarantor takes any action to authorize any of the foregoing matters; or (i) any letter of credit or guaranty issued in support of a Schedule is revoked, breached, cancelled or terminated (unless consented to in advance in writing by Lessor); or (j) any Guarantor fails to fulfill its obligations in favor of Lessor pursuant to its guaranty; or (k) Lessee merges or consolidates with any other corporation or entity, or sells, rents or disposes of all or substantially all of its assets without the prior written consent of Lessor (each a "Lessee Default").

18. REMEDIES. If a Lessee Default occurs, Lessor may, in its sole discretion, exercise one or more of the following remedies: (a) declare all amounts due and to become due in the current year under any or all Schedules to be immediately due and payable; (b) terminate this Master Agreement or any Schedule; (c) take possession of, or render unusable, any Equipment wherever such Equipment may be located, without demand or notice and without any court order or other process of law, and no such action shall constitute a termination of any Schedule; (d) require Lessee to deliver the Equipment to a location specified by Lessor or allow Lessor access to retrieve such Equipment; (e) terminate any other agreement that Lessor may have with Lessee; or (f) exercise any other right or remedy available to Lessor at law or in equity. To the extent permitted by law, Lessee shall pay Lessor all costs and expenses that Lessor may incur to maintain, safeguard or preserve the Equipment, and other expenses incurred by Lessor in enforcing any of the terms, conditions or provisions of this Master Agreement (including legal fees and collection agency costs). Upon repossession or surrender of any Equipment, Lessor may rent, sell or otherwise dispose of the Equipment in a commercially reasonable manner, with or without notice and at public or private sale, and apply the net proceeds thereof to the amounts owed to Lessor hereunder. Any proceeds of any sale or rent of such Equipment in excess of the

amounts owed to Lessor hereunder shall be retained by Lessor. Lessee agrees that with respect to any notice of a sale required by law to be given, ten (10) days' notice shall constitute reasonable notice. Upon payment of all past due Rent and the Stipulated Loss Value together with interest at the rate of 1.5% per month (or such lesser rate as is the maximum rate allowable under applicable law) from the date declared due until paid, Lessor will transfer to Lessee all of Lessor's interest in the Equipment for which such Rent and Stipulated Loss Value has been paid, which transfer shall be on an "AS IS, WHERE IS" basis, without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor. With respect to any exercise by Lessor of its right to recover and/or dispose of any Equipment, Lessee acknowledges and agrees as follows: (1) Lessor shall have no obligation, subject to the requirements of commercial reasonableness, to clean-up or otherwise prepare the Equipment for disposition, (2) Lessor may comply with any applicable state or Federal law requirements in connection with any disposition of the Equipment, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any such disposition, and (3) Lessor may convey the Equipment on an "AS IS, WHERE IS" basis, and without limiting the generality of the foregoing, may specifically exclude or disclaim any and all warranties, including any warranty of title or the like with respect to the disposition of the Equipment, and no such conveyance or such exclusion or such disclaimer of any warranty shall be deemed to have adversely affected the commercial reasonableness of any such disposition. These remedies are cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be enforced concurrently or separately from time to time.

19. TRUE LEASE; SECURITY INTEREST. LESSEE WAIVES ANY AND ALL RIGHTS AND REMEDIES OTHERWISE GRANTED TO LESSEE BY UCC §§2A-508 THROUGH 2A-522 AS DEEMED APPLICABLE. If and to the extent that this Master Agreement is deemed a security agreement, Lessee hereby grants to Lessor, its successors and assigns, a security interest in all of Lessee's rights under and interest in the Equipment, all additions to the Equipment, and all proceeds of the foregoing. Such security interest secures all obligations owing by Lessee to Lessor. Lessee authorizes Lessor and any assignee of all or any portion of Lessor's interest in the Master Agreement ("Assignee") to file UCC financing statements disclosing Lessor's or Assignee's interest in the Equipment and in any "Additional Collateral" set forth in any Schedule. Lessee shall provide Lessor with at least forty-five (45) days' prior written notice of any change to Lessee's principal place of business, organization or incorporation.

20. ASSIGNMENT. Lessee shall not transfer, sublease, or assign any of its rights or obligations under the Master Agreement or any schedule.

21. TERMINATION. The Lessor may terminate this Agreement or any Schedule with thirty (30) days' prior written notice, if the Lessee fails to meet its obligations under this Agreement or any Schedule, such as failure to make payments when due. The thirty (30) day period following the written notice shall serve as cure period and if such failure of Lessee to meet its obligations is not cured during this time, then this Agreement or any applicable Schedule shall be immediately terminated pursuant to Sections 4 and 5 of this Agreement.

22. NOTICES. All notices required or permitted to be given under this Master Agreement shall be in writing and shall be deemed to have been duly given if delivered personally or mailed via certified mail or a nationally recognized overnight courier service to the respective addresses set forth on Exhibit D hereto (or such other address or fax number as either party shall so notify the other).

23. GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL. This Master Agreement and each Schedule shall be governed by the internal laws (as opposed to conflicts of law provisions) of the Commonwealth of Massachusetts. Lessor and Lessee consent to the jurisdiction of any local, state or Federal court located within the Commonwealth of Massachusetts and waive any objection relating to improper venue or forum non-conveniens to the conduct of any proceeding in any such court. Lessee and lessor hereby expressly waive its right to a jury trial with respect to any action in connection with this Master Agreement.

24. CREDIT REVIEW AND ASSURANCES. Lessee consents to credit reviews by Lessor. Lessee agrees to promptly execute and deliver to Lessor such further documents and take such further action as Lessor may reasonably request in order to carry out the intent and purpose of this Master Agreement more effectively. Without limiting the generality of the foregoing, Lessee agrees (i) to furnish to Lessor from time to time, its certified financial statements, officer's certificates and appropriate resolutions, opinions of counsel and such other information and documents as Lessor may reasonably request, and (ii) to execute and timely deliver to Lessor any documents that Lessor deems reasonably necessary under applicable law to perfect or protect Lessor's security interest in the Equipment or to evidence Lessor's ownership interest therein as the case may be; provided, however, that Lessee authorizes Lessor to file any such financing statement or any amendment or continuation thereof or other document without Lessee's authentication to the extent permitted by applicable law; provided, however, Lessor agrees to file a release or termination of any such financing statement within thirty (30) days after the end of the total term for such Equipment. It is also agreed that Lessor or Lessor's agent may, and is hereby authorized to, file as a financing statement, any rent document (or copy thereof, where permitted by law) that Lessor deems appropriate to perfect or protect Lessor's security interest in the Equipment or to evidence Lessor's ownership interest therein, at Lessor's cost and expense; provided, however, Lessor agrees to file a release or termination with respect to such financing statement or rent document within thirty (30) days after the end of the total term for such Equipment.

25. ENTIRE AGREEMENT; AMENDMENTS. This Master Agreement and all attachments including all Schedules together constitute the entire agreement between Lessor and Lessee relating to the leasing of the Equipment, and supersedes all prior agreements relating thereto, whether written or oral, and may not be amended or modified except in a writing signed by the parties hereto.

26. NO WAIVER. Any failure of Lessor to require strict performance by Lessee, or any written waiver by Lessor of any provision hereof, shall not constitute consent or waiver of any other breach of the same or any other provision hereof.

27.INVALIDITY. If any provision of this Master Agreement shall be prohibited by or invalid under law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Master Agreement and any such Schedule.

28. COUNTERPARTS. This Master Agreement may be executed in counterparts, and, when so executed, each counterpart shall be deemed to be an original and such counterparts together shall constitute one and same instrument. The original of each Schedule shall constitute chattel paper for purposes of the UCC. If there are multiple originals of a Schedule, the one marked "Lessor's Copy" or words of similar import shall constitute the only chattel paper.

29. SURVIVAL. All obligations of Lessee to make payments to, or to indemnify, Lessor and all rights of Lessor shall survive the cancellation or termination of this Master Agreement.

IN WITNESS WHEREOF, Lessee and Lessor have executed this Master Agreement on the dates specified below.

LESSEE: South Lake Tahoe Fire Department	**LESSOR: ZOLL MEDICAL CORPORATION**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date: _____	Date: _____

EXHIBIT A

FORM OF EQUIPMENT SCHEDULE

Internal Reference Number:Q-56947 V:1

MASTER AGREEMENT SCHEDULE – No. 1

ZOLL Medical Corporation ("Lessor") and **South Lake Tahoe Fire Department** ("Lessee") are parties to the Master Agreement. This Master Agreement Schedule (which shall be identified by the Counterpart Number specified above) and the Master Agreement together comprise a separate Lease between the parties. The terms and conditions of the Master Agreement are hereby incorporated by reference into this Schedule. All capitalized terms used in this Schedule without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE SCHEDULE.

A. Description of Items of Leased Equipment are listed in Exhibit 1 hereto.

B. Rental Term: 120 Months

2. Rent Amount: **$43,558.09/Annually starting Net 30 days (excluding any applicable taxes)**
Payments reflect a down payment of $100,000 due Net 30.

Amount is payable: in arrears: [ ] monthly [ ] quarterly **X annually** (check one)

Lessee shall pay Lessor the Rent payment specified above for the length of the Rental Term within thirty (30) days after the delivery of the Equipment and monthly, quarterly or annually as set forth above, thereafter on the same date or on the last day of the calendar month if the month does not contain the same Delivery Date.

As used herein, "Replacement Period" shall mean the first 60 months of the Rental Term. Prior to the expiration of the Replacement Period, Lessee shall have the option to elect a one-time replacement of all the Equipment in a category. The replacement devices will be of the same configuration, in new condition and will be the same or newer platform. For example, if Lessee has leased ten defibrillators and ten ventilators, Lessee may elect to replace all ten defibrillators and all ten ventilators, all ten defibrillators and no ventilators or no defibrillators and all ten ventilators, but Lessee shall not be permitted to replace five defibrillators and/or five ventilators. If Lessee replaces Equipment, a second allotment of accessories and disposables will be provided, in the same quantity as the original Schedule, within ninety (90) days of the end of the Replacement Period. If accessories or disposables are not on the original quote and applicable Schedule, then the Lessee shall be financially responsible for new accessories and/or disposables.

For subsequent Equipment Schedules placed for new orders under the Master Agreement ("Subsequent Schedules"), the Replacement Period for such Subsequent Schedules will be adjusted to align with the end of the Replacement Period for the first Master Agreement Schedule. For example, if the Rental Term of the first Schedule is from 01/2025 to 12/2034, then the Replacement Period for such Schedule would expire on 12/2029. If a Subsequent Schedule is entered into with a Rental Term from 05/2027 to 12/2034 because it would be coterminous with the Master Agreement and the Replacement Period for such Subsequent Schedule would still expire on 12/2029 (i.e., the Replacement Period expiration date aligns with the first Schedule). No Subsequent Schedules shall be granted under the Master Agreement after the Replacement Period ends.

3. LEASE PACKAGE:
Lessee will return the Equipment under this program as set forth in Section 5 of the Master Agreement at the expiration or earlier termination of the Rental Term, whichever occurs first.

4. EQUIPMENT LOCATION:

Equipment location shall be as set forth on Attachment 1 of this Schedule.

5. LESSEE'S END-OF-LEASE-TERM.

Fair Market Value. This program package is structured as a Fair Market Value agreement. Upon expiration of the Rental Term, provided that the associated Schedule has not been terminated early by Lessor or Lessee is in accordance with the terms set forth in the Master Agreement, Lessee may purchase all (but not less than all) of the Equipment, for the Fair Market Value as set forth in Section 8 of the Master Agreement (plus all applicable Taxes), which amount shall be due and payable on or before the last day of the applicable Rental Term. If the Lessee fails to return the Equipment, Lessee shall be liable to return the Equipment in accordance with Section 5 of the Master Agreement. In the event Lessor and Lessee are unable to agree on the Fair Market Value of any Equipment, Lessor may (a) select an independent appraiser in its sole discretion to conclusively determine such amount with the cost of the appraiser paid by Lessor or (b) terminate the Schedule and request Lessee to return Equipment in accordance with Section 5 of the Master Agreement.

LESSOR AGREES TO LEASE TO LESSEE AND LESSEE AGREES TO LEASE FROM LESSOR THE EQUIPMENT DESCRIBED IN ATTACHMENT 1 OF THIS SCHEDULE. SUCH LEASE WILL BE GOVERNED BY THE MASTER AGREEMENT AND THIS SCHEDULE, INCLUDING THE TERMS AND CONDITIONS SET FORTH ABOVE. IN THE EVENT OF ANY CONFLICT

BETWEEN THE TERMS OF THIS SCHEDULE AND THE MASTER AGREEMENT, THE TERMS OF THIS SCHEDULE SHALL GOVERN.

IN WITNESS WHEREOF, Lessee and Lessor have executed this Master Agreement Schedule on the dates specified below.

LESSEE: South Lake Tahoe Fire Department

By:_____

Name:_____

Title:_____

Date: _____

LESSOR: **ZOLL MEDICAL CORPORATION**

By:_____

Name:_____

Title:_____

Date: _____

ATTACHMENT 1 OF SCHEDULE

EQUIPMENT LIST

Part Number	QTY	Product Description	Address Where Equipment is Located
601-2231111-01	6	X Series Advanced Monitor/Defibrillator - 12-Lead ECG, Pacing, SpO2, SpCO, EtCO2, BVM, NIBP, CPR Expansion Pack	
8900-0400	1	CPR Stat-padz HVP Multi-Function CPR Electrodes - 8 pair/case	
8300-000208	1	Microstream Advance Adult-Pediatric Intubated CO2 Filter Line, Short Term Use, Box of 25	
8300-000200	1	Microstream Advance Adult Oral-Nasal CO2 Filter Line With O2 Tubing, Short Term Use, Box of 25	
8000-001128	6	Accuvent Flow Tube (Box of 10)	
8000-0895	6	Cuff Kit with Welch Allyn Small Adult, Large Adult and Thigh Cuffs	
8000-001392	6	Masimo rainbow® RC-4 - 4FT, Reusable EMS Patient Cable	
8000-000371	6	rainbow® DCI® SpO2/SpCO/SpMet Adult Reusable Sensor with connector (3 ft)	
8000-0580-01	12	Six Hour Rechargeable, SurePower II Smart Battery	
8300-0500-01	3	SurePower 4 Bay Charging System including 4 Battery Charging adapters	
8000-000876-01	1	Paper, Thermal, w/Grid, BPA Free (Box of 6)	
8000-000393-01	6	X Series Carry Case, Premium	
8900-0004	1	4 ECG electrodes/pouch (120 pouches / 480 electrodes)	
8900-0006	1	6 ECG electrodes/pouch (100 pouches / 600 electrodes)	
8900-0810-01	6	Pedi-padz II Pediatric Multi-Function Electrodes	
8707-000503-01	6	X Series Clear Plastic Display Protector	
8778-89044-WF	6	X Series - Worry-Free Service Plan	
8400-110045	6	CaseReview Premium Subscription, R Series and X Series, Hosted	
7800-0414-61	6	LP 15 12-Lead Version 4 Trade In Allowance	

EXHIBIT B
ALS/BLS Software Solutions Master Application Service Provider Agreement

1. Schedules. Lessor shall provide to Lessee the ASP Services, Implementation Services and Support Services identified in any Schedule under the ZOLL One Program Master Agreement ("Master Agreement") in accordance with the terms of this ALS/BLS Software Solutions Master Application ("ASP Agreement"). ASP Services are further defined in Section 2. Implementation Services are further defined in Section 3. Support Services are further defined in Section 4. The ASP Services, Implementation Services, and Support Services are each, and are collectively, "**Services**." The terms and conditions set forth in this ASP Agreement shall only apply to Equipment leased under the associated Schedule and the Master Agreement. For the sake of clarity, these terms and conditions do not apply to any Lessor patient care reporting software, which would be purchased under a separate agreement.

2. ASP Services. "ASP Services" means the hosting and maintenance of Lessor software, as modified, updated, and enhanced (the "**Underlying Software**"), for remote electronic access and use by Registered Users on the website with a unique URL to be provided by Lessor to Lessee (the "**Lessor Site**") in substantial conformity with the instructions for use, documentation and users manuals from time-to-time provided by Lessor (the "**Documentation**"), as listed in any Schedule for such services and before that Schedule has expired or been terminated in accordance with the Master Agreement. Lessee acknowledges that the ASP Services are only compatible with Lessor equipment that has been enabled and configured for use with the ASP Services in accordance with the Documentation and only with the browser and other technical environment that supports the use of the ASP Services in accordance with the Documentation.

2.1. Provision of ASP Services. Subject to the terms and conditions of the Master Agreement, Lessor will use commercially reasonable efforts to make the ASP Services available to Lessee and Lessee's employees, directors, principals, partners, consultants and agents authorized to use ASP Services on behalf of Lessee and registered through the Lessor Site for such use ("**Registered Users**") through the Lessor Site over normal network connections in accordance with the Documentation, excepting downtime due to necessary maintenance and troubleshooting. Lessee, not Lessor, shall be responsible for controlling Registered Users and protection of confidentiality of its login identifications and passwords. Lessee acknowledges that (i) it is responsible for maintaining its interface and connectivity to the ASP Services and (ii) any facilities used for provision of the ASP Services may be owned or operated by Lessor, or a Lessor affiliate or a third party, or any combination of such facilities, as determined by Lessor. Lessee acknowledges that Lessor may modify and upgrade the ASP Services, on an ongoing basis, to improve or adapt the ASP Services. Without limiting the foregoing, Lessor will have the right, in its sole discretion, to develop, provide and market new, upgraded or modified ASP Services to Lessee, including adding, removing or modifying the functionality or features of the ASP Services accessible by Registered Users. Lessor will use commercially reasonable efforts to notify Lessee within a reasonable period of time prior to the implementation of such changes so that Lessee is reasonably informed of alterations to the ASP Services that will affect the ASP Services and Lessee's use of them. Notwithstanding anything to the contrary in the Master Lessor may cease providing any ASP Services upon at least six months advance notice to Lessee.

2.2. Access Software. Subject to the terms and conditions of this ASP Agreement, Lessor grants to Lessee, during the Term, a non-exclusive, non-transferable, non-sublicensable license for Registered Users to access and use the ASP Services using the Lessor software that Registered Users may download at the Lessor Site to access the ASP Services, as modified, updated and enhanced (the "**Access Software**"), each as made available to Lessee through the Lessor Site, solely for Lessee's internal business purposes and solely in accordance with the Documentation. Access Software and Underlying Software are, collectively, the "**Software**."

2.3. Restrictions. Lessee shall not, and shall not permit any third party to: (a) use, reproduce, modify, adapt, alter, translate or create derivative works from the ASP Services, Software or Documentation; (b) merge the ASP Services, Software or Documentation with other software or services; (c) sublicense, distribute, sell, use for service bureau use, lease, rent, loan, or otherwise transfer or allow access to the ASP Services, Software or the Documentation to any third party; (d) reverse engineer, decompile, disassemble, or otherwise attempt to alter or derive the Source Code for the ASP Services or Software; (e) remove, alter, cover or obfuscate any copyright notices or other proprietary rights notices included in the ASP Services, Software or Documentation; or (f) otherwise use or copy the ASP Services, Software or Documentation in any manner not expressly permitted by the Master Agreement. Lessee agrees not to use the ASP Services in excess of its authorized login protocols. Lessee shall immediately notify Lessor of any unauthorized use of Lessee's login ID, password or account or other breach of security**.** If Lessee becomes aware of any actual or threatened activity contemplated by the restrictions on use set forth in this section, Lessee will, and will cause Registered Users to, immediately take all reasonable measures necessary to stop the activity or threatened activity and to mitigate the effect of such activity including: (i) discontinuing and limiting any improper access to any data; (ii) preventing any use and disclosure of improperly obtained data; (iii) destroying any copies of improperly obtained data that may have been made on their systems; (iv) otherwise attempting to mitigate any harm from such events; and (v) immediately notifying Lessor of any such event so that Lessor may also attempt to remedy the problem and prevent its future occurrence.

2.4. Service Level Targets.

2.4.1. Downtime. "**Downtime**," expressed in minutes, is any time the ASP Services are not accessible to Registered Users.

2.4.2. Planned Downtime. "**Planned Downtime**" is Downtime during which ASP Services may not be available in order for Lessor to continue to provide commercially reasonable services, features and performance to its customers. Planned Downtime includes, but not limited to: (a) Standard Maintenance; and (b) Emergency Maintenance. "**Standard Maintenance**" is performed when upgrades or system updates are desirable. "**Emergency Maintenance**" is performed when a critical system update must be applied quickly to avoid significant Downtime. Standard Maintenance may be performed weekly on Monday and Wednesday between the hours of 7 p.m. to 11 p.m. in Broomfield, Colorado. Lessor will provide Lessee with notice at least 24 hours in advance of Standard Maintenance.

2.4.3. Excused Downtime. "**Excused Downtime**" time is Downtime caused by: (a) services, software or hardware provided by anyone or any entity other than Lessor, (b) software, services or systems operating outside of a Lessor Site, including any software or systems operating on a Lessee's premises (including Lessor software); (c) a Force Majeure Event or (d) Lessee's failure to comply with its obligations under the Master Agreement or use of the ASP Services in ways that were not intended.

2.4.4. Unplanned Downtime. Unplanned Downtime in a calendar month is expressed as a percentage calculated as follows:

$$\frac{\text{(Downtime - (Planned Downtime + Excused Downtime))}}{\text{Total number of minutes in the calendar month}} \times 100 = x\ \%, \text{ where "x" is Unplanned Downtime.}$$

2.4.5. Unplanned Downtime Goal. Lessor endeavors to provide the ASP Services such that there is less than 1% of Unplanned Downtime in a calendar month (the "**Unplanned Downtime Goal**"). The ASP Services covered by the Unplanned Downtime Goal are those for which Lessee has paid all Fees when due and is using in the course of carrying out its normal business operations in accordance with this ASP Agreement and the Master Agreement.

2.4.6. Revocation of Administrative Rights. Notwithstanding anything to the contrary in this ASP Agreement, Lessor may revoke administrative rights, including database access rights, if the use of any such rights results in Downtime.

2.4.7. Lessee Content; Security.

2.4.7.1. Lessee Content. As between Lessor and Lessee, Lessee will retain all right, title and interest in and to all data, information or other content provided by Lessee in its use of the ASP Services ("**Lessee Content**"); *provided*, *however*, that Lessor may de-identify Lessee Content and use it for any lawful purpose not prohibited by HIPAA.

2.4.7.2. Security. Subject to Lessee's obligations under this ASP Agreement, Lessor will implement commercially reasonable security measures within the ASP Services in an attempt to prevent unlawful access to Lessee Content by third parties. Such measures may include, where appropriate, use of updated firewalls, commercially available virus screening software, logon identification and passwords, encryption, intrusion detection systems, logging of incidents, periodic reporting, and prompt application of current security patches and virus definitions.

2.4.7.3. Retention of Lessee Content. Although Lessor will use commercially reasonable efforts to maintain the integrity of the Lessee Content, to back up the Lessee Content, and to provide full and ongoing access to the ASP Services, loss of access to the ASP Services and loss of Lessee Content may occur. Lessee will be responsible for compliance with all records retention requirements applicable to Lessee. Lessor will not be responsible for any loss, corruption of or inaccessibility of the Lessee Content due to interruption in the ASP Services or otherwise arising out of circumstances not within Lessor's control.

2.4.7.4. Availability of Lessee Content. It is Lessee's responsibility to maintain any Lessee Content that it requires for archival purposes, ongoing management of its operations and compliance with applicable records retention requirements. Unless specified otherwise in the Master Agreement, Lessor will store Lessee Content, other than Inactive Lessee Content as defined below (the "**Active Lessee Content**"), in Lessor's working data set until the earlier of (i) five years (calculated from the date of creation of such Lessee Content, or Lessor's receipt of such Lessee Content, whichever is later) or (ii) the expiration or termination of this ASP Agreement or the Schedule under which such Active Lessee Content was stored (the "**Active Retention Period**"). Upon the expiration of the Active Retention Period, Lessor will notify Lessee in writing and will provide Lessee the option, which Lessee shall exercise by informing Lessor in writing, within 30 days of receiving the notice, that either (a) Lessee wishes to receive Active Lessee Content in a database determined by Lessor in its sole and absolute discretion (a "**Database**"), or (b) Lessee will pay Lessor, at Lessor's then-current storage rates and upon Lessor's then-current terms and conditions, to continue to store the Active Lessee Content. If Lessee fails to exercise one of the foregoing options within such 30-day period, Lessor will have the right to destroy the Active Lessee Content. During the time Lessor stores Lessee Content for Lessee hereunder, Lessor may periodically identify Lessee Content that has had no activity associated with it for at least 180 days ("**Inactive Lessee Content**") and will notify Lessee in writing of its intent to remove the Inactive Lessee Content from Lessor's working data set and destroy such data, unless Lessee requests, in writing, within 30 days of receiving the notice from Lessor, that either (z) Lessee wishes to receive the Inactive Lessee Content in a Database, or (y) Lessee will pay Lessor, at Lessor's then-current storage rates and upon Lessor's then-current terms and conditions, to continue to store such Inactive Lessee Content. If Lessee fails to exercise one of the foregoing options within such 30-day period, Lessor will have the right to destroy the applicable Inactive Lessee Content in its possession or under its control. Except for this Section 3.4.7.4, the terms of Section 3.4 (including, without limitation, the Unplanned Downtime Goal) do not apply to Lessee's access of Inactive Lessee Content. Lessee represents, warrants and agrees that it (A) is solely responsible for determining the retention period applicable to it with respect to Lessee Content maintained by Lessor; (B) has consulted with or has had the opportunity to consult with legal, information governance or records management professionals; and (C) is not relying upon Lessor to assist with determining the records maintenance or retention requirements applicable to it.

2.4.8. Modifications. Changes to this Section 2.4 may be made from time to time at Lessor's sole discretion. Lessee will be notified of any such changes that are material.

3. Implementation Services. Lessor shall provide ASP Services implementation, training and any related services identified in a Schedule (the "**Implementation Services**"). Lessee shall, in a timely manner and at its own expense, cooperate and provide or make available to Lessor access to the Lessee's premises, systems, telephone, terminals and facsimile machines and all relevant information, documentation and staff reasonably required by Lessor to enable Lessor to perform the Implementation Services. Lessee acknowledges that any time frames or dates for completion of the Implementation Services set out in a Schedule are estimates only and the ability to meet them is influenced by a range of factors including, without limitation, response times and level of cooperation of Lessee. Any obligations as to time are therefore on a "reasonable efforts" basis only and Lessor shall not be liable for failure to meet time frames or completion dates unless solely due to Lessor's gross negligence.

4. Support Services. Lessor shall provide the following Support Services for ASP Services, except that Lessor will have no obligation to provide such Support Services if any payments are past due.

4.1. Support.

4.1.1. Emergency Support. Lessor shall provide telephone support to Lessee for 24 hours a day, 7 days a week, to address Errors that prevent Lessee from using Supported ASP Services for a purpose for which Lessee has an immediate and material need. "**Supported ASP Services**" means the ASP Services for which Lessee has paid the then-current Fees. "**Supported Environment**" means a browser and other technical environment that supports the use of the ASP Services in accordance with the Documentation. "**Error**" means a reproducible defect in the Supported ASP Services when operated in accordance with the Documentation in a Supported Environment that causes the Supported ASP Services not to operate substantially in accordance with such Documentation.

4.1.2. Technical Support. Lessor shall provide telephone support to Lessee during 6 a.m. to 6 p.m. Eastern Time, Monday to Friday, excluding Lessor holidays ("**Business Hours**") to address all other Errors relating to any Supported ASP Services. Such telephone support will include (i) clarification of functions and features of the Supported ASP Services; (ii) clarification of the Documentation; (iii) guidance in operation of the Supported ASP Services; (iv) assistance in identifying and verifying the causes of suspected Errors in the Supported ASP Services; and (v) advice on bypassing identified Errors in the Supported ASP Services, if reasonably possible. Responses to such reporting shall be provided at a minimum within twenty-four (24) hours during Business Hours.

4.1.3. Resolution. Lessor shall use commercially reasonable efforts to provide a modification or workaround to Supported ASP Services that resolves an Error in all material respects ("**Resolution**").

4.1.4. Expenses. Support Services provided hereunder shall be provided from Chelmsford, Massachusetts or Broomfield, Colorado, as determined in Lessor's sole discretion. Should Lessee request that Lessor send personnel to Lessee's location to resolve any Error in the Supported ASP Services, Lessor may charge Lessee a fee of $2,500 for each day Lessor personnel is at Lessee's location.

4.1.5. Exceptions. Lessor shall have no responsibility under this ASP Agreement to fix any Errors arising out of or related to the following causes: (a) Lessee's modification or combination of the Access Software (in whole or in part), (b) use of the Supported ASP Services in an environment other than a Supported Environment; or (c) accident; unusual physical, electrical or electromagnetic stress; neglect; misuse; failure or fluctuation of electric power, air conditioning or humidity control; failure of media not furnished by Lessor; excessive heating; fire and smoke damage; operation of the Supported ASP Services with other media and hardware, software or telecommunication interfaces; or causes other than ordinary use. Any corrections performed by Lessor for such Errors shall be made, in Lessor's reasonable discretion, at Lessor's then-current time and material charges. Lessor will provide the Support Services only for the most current release and the one immediately preceding major release of any Access Software. Notwithstanding anything to the contrary in the Master Agreement, (i) Lessor may cease providing Support Services for any ASP Services upon at least six (6) months advance notice to Lessee of such cessation and (ii) Support Services do not cover Third Party Products or Services (defined below).

4.2. Conditions and Limitations. Lessee shall provide Lessor with access to Lessee's personnel and its equipment. This access must include the ability to remotely access the equipment on which the Supported ASP Services are operating and to obtain the same access to the equipment as those of Lessee's employees having the highest privilege or clearance level. Lessor will inform Lessee of the specifications of the remote access methods available and associated software needed, and Lessee will be responsible for the costs and use of said equipment. Fees for third party software and services are set by the owner of such software.

5. Warranties.

5.1. Implementation Services and Support Services. Subject to Lessee being current with its payments under the Master Agreement, any Implementation Services or Support Services provided to Lessee will be performed with due care in a professional and workmanlike manner. Lessor shall perform the Implementation Services or Support Services again if Lessor was unsuccessfully in completing the Implementation Services and/or Support Services. Lessee

shall notify the Lessor in writing within thirty (30) days following performance of the unsuccessful Implementation Services or Support Services, specifying the nature of the unsuccessful services in reasonable detail.

5.2. ASP Services and Access Software. Subject to the Lessee being current with payments under the Master Agreement, Lessor states with respect to any ASP Services that (i) Lessor has the right to license the Access Software and Documentation and make the ASP Services available to Lessee pursuant to this ASP Agreement and (ii) the ASP Services, when used as permitted and in accordance with the Documentation, will materially conform to the Documentation. Lessor does not warrant that Lessee's use of the ASP Services will be error free or uninterrupted. Lessee will notify Lessor in writing of operating issues with respect to any ASP Services prior to the expiration or termination of the associated Schedule for such ASP Services. If Lessor is unable to provide a correction or workaround pursuant to the terms governing the provision of the ASP Services after using commercially reasonable efforts, Lessor may terminate such Schedule upon written notice to Lessee. Any such correction or workaround shall not extend the term of such Schedule. This Section 5.2 sets forth Lessee's exclusive remedy, and Lessor's entire liability, for operating issues for the ASP Services contained herein.

5.3. Warranty Disclaimers. The remedies for the Software and Services are solely and expressly as set forth in Section 5.1 and Section 5.2 and are expressly qualified, in their entirety, by this Section 5.3. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 5.1 AND SECTION 5.2, (A) THE SOFTWARE AND SERVICES ARE PROVIDED STRICTLY "**AS IS**", WITHOUT ANY WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY, WRITTEN OR ORAL; (B) LESSOR DOES NOT PROMISE THAT THE SOFTWARE OR SERVICES WILL BE SECURE, UNINTERRUPTED OR ERROR-FREE OR THAT THEY ARE SUITABLE FOR THE PARTICULAR NEEDS OF CUSTOMER, REGISTERED USERS OR ANY THIRD PARTY; AND (C) LESSOR SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON INFRINGEMENT, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE OR USAGE IN TRADE. CUSTOMER ACKNOWLEDGES THAT IT HAS RELIED ON NO WARRANTIES OTHER THAN THE EXPRESS WARRANTIES IN THIS ASP AGREEMENT, AND THAT NO WARRANTIES ARE MADE BY ANY OF LESSOR'S LICENSORS OR SUPPLIERS WITH RESPECT TO THIRD PARTY PRODUCTS OR SERVICES. Lessee acknowledges and agrees that, in entering into this ASP Agreement, it has not relied upon the future availability of any new or enhanced feature or functionality, or any new or enhanced product or service, including, without limitation, updates or upgrades to Lessor's existing products and services. Lessor's performance obligations hereunder are limited to those expressly enumerated herein, and payment for Lessor's performance obligations shall be due as described herein.

6. Confidentiality. Neither party will use any trade secrets, information, or other material, tangible or intangible, that relates to the business or technology of the other party and is marked or identified as confidential or is disclosed in circumstances that would lead a reasonable person to believe such information is confidential ("**Confidential Information**") for any purpose not expressly permitted by this ASP Agreement, and will further disclose the Confidential Information of the party disclosing it ("**Disclosing Party**") only to the employees or contractors of the party receiving it ("**Receiving Party**") who have a need to know such Confidential Information for purposes of this ASP Agreement and who are under a duty of confidentiality no less restrictive than the Receiving Party's duty hereunder. The Receiving Party will protect the Disclosing Party's Confidential Information from unauthorized use, access, or disclosure in the same manner as the Receiving Party protects its own confidential or proprietary information of a similar nature and with no less than reasonable care. The ASP Services, Software and Documentation shall be Lessor's Confidential Information (including without limitation any routines, subroutines, directories, tools, programs, or any other technology included in the Software), notwithstanding any failure to mark or identify it as such. The Receiving Party's obligations under this Section 7 with respect to any Confidential Information of the Disclosing Party will terminate when and to the extent the Receiving Party can document that such information: (a) was already lawfully known to the Receiving Party at the time of disclosure by the Disclosing Party; (b) is disclosed to the Receiving Party by a third party who had the right to make such disclosure without any confidentiality restrictions; (c) is, or through no fault of the Receiving Party has become, generally available to the public; or (d) is independently developed by the Receiving Party without access to, or use of, Confidential Information. In addition, the Receiving Party may disclose Confidential Information of the Disclosing Party to the extent that such disclosure is: (i) necessary for the Receiving Party to enforce its rights under this ASP Agreement in connection with a legal proceeding; or (ii) required by law or by the order of a court or similar judicial or administrative body, provided that the Receiving Party notifies the Disclosing Party of such disclosure in writing prior to making such disclosure and cooperates with the Disclosing Party, at the Disclosing Party's reasonable request and expense, in any lawful action to contest or limit the scope of such disclosure.

7. Indemnification.

7.1. By LESSOR. Lessor will defend, at its own expense, any action against Lessee or its or any of its agents, officers, director, or employees ("**Lessee Parties**") brought by a third party alleging that any Software or Services infringe any U.S. patents or any copyrights or misappropriate any trade secrets of a third party, and Lessor will pay those costs and damages finally awarded against the Lessee Parties in any such action that are specifically attributable to such claim or those costs and damages agreed to in a monetary settlement of such action. The foregoing obligations are conditioned on Lessee: (a) notifying Lessor promptly in writing of such claim or action; (b) giving Lessor sole control of the defense thereof and any related settlement negotiations; and (c) cooperating with Lessor and, at Lessor's request and expense, assisting in such defense. If any of the Software or Services become, or in Lessor's opinion is likely to become, the subject of an infringement claim, Lessor may, at its sole option and expense, either: (i) procure for Lessee the right to continue using such Software or Services; (ii) modify or replace such Software or Services with substantially similar software or services so that such Software or Services becomes non-infringing; or (iii) terminate this ASP Agreement, in whole or in part. Notwithstanding the foregoing, Lessor will have no obligation under this Section 7.1 or otherwise with respect to any infringement claim based upon: (1) use of any of the Software or Services not in accordance with this ASP Agreement; (2) any use of any Software or Services in combination with products equipment, software, services or data not supplied by Lessor if such infringement would have been avoided but for the combination with other products, equipment, software, services or data; (3) the failure of Lessee to implement any replacements, corrections or modifications made available by Lessor for any Software or Services including, but not limited to, any use of any release of the Software other than the most current release made commercially available by Lessor; (4) any Lessee Content; or (5) any modification of any Software or Services or use thereof by any person other than Lessor or its authorized agents or subcontractors. This Section 8 states Lessor's entire liability and the exclusive remedy for any claims of infringement.

7.2. By Lessee. Lessee shall indemnify, defend and hold Lessor and its agents, officers, directors and employees (the "**Lessor Parties**") harmless from and against any and all liabilities, losses, expenses, damages and claims (collectively, "**Claims**") that arise out of the following except to the extent the Claims are due to the gross negligence, intentional misconduct or breach of this ASP Agreement by the Lessor Parties: (i) information provided to any of the Lessor Parties by any of the Lessee Parties; (ii) any of the Lessee Parties' use or misuse of any of the Software or Services, including without limitation in combination with Lessee's software or services or third party software or services; (iii) any modifications made by any of the Lessee Parties to any of the Software or Services; (iv) infringement by any of the Lessee Parties of any third party intellectual property right; (v) Taxes (other than taxes based on Lessor's net income) and any related penalties and interest, arising from the payment of the Fees or the delivery of the Software and Services to Lessee; and (ix) any violation of laws or regulations, including without limitation applicable export and import control laws and regulations in the use of any of the Software or Services, by any of the Lessee Parties.

8. Limitation of Liability. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT WILL LESSOR OR ITS AFFILIATES, SUBCONTRACTORS OR SUPPLIERS, OR ANY OF THEIR OFFICERS OR DIRECTORS, BE LIABLE, EVEN IF ADVISED OF THE POSSIBILITY, FOR: (i) SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE), (ii) LOSS OF PROFIT, DATA, BUSINESS OR GOODWILL, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES OR (iii) ANY LOSSES, COSTS OR DAMAGES ASSOCIATED WITH CUSTOMER'S PRODUCTS OR OTHER ELEMENTS INCORPORATED OR USED THEREWITH WHICH WERE NOT PROVIDED BY LESSOR OR WITH RESPECT TO ANY MODIFICATIONS MADE TO THE SOFTWARE OR SERVICES OR MISUSE OF THE SOFTWARE OR SERVICES.

LESSOR'S TOTAL CUMULATIVE LIABILITY IN CONNECTION WITH THIS AGREEMENT, WHETHER IN CONTRACT OR TORT OR OTHERWISE, WILL NOT EXCEED THE PRO-RATED PORTION AMOUNT PAID TO LESSOR BY CUSTOMER FOR THE SOFTWARE AND SERVICES PROVIDED UNDER THIS ASP AGREEMENT DURING THE 12-MONTH PERIOD PRECEDING THE EVENTS GIVING RISE TO SUCH LIABILITY. Lessee acknowledges that these limitations reflect the allocation of risk set forth in this ASP Agreement and that Lessor would not enter into this ASP Agreement without these limitations on its liability. Lessee agrees that these limitations shall apply notwithstanding any failure of essential purpose of any limited remedy. The remedies in this ASP Agreement are Lessee's sole and exclusive remedies. In addition, Lessor disclaims all liability of any kind of Lessor's licensors and suppliers, for third party products or services, and for the actions or omissions of Lessee's representatives.

9. Ownership. All right, title and interest, including but not limited to all existing or future copyrights, trademarks, service marks, trade secrets, patents, patent applications, know how, moral rights, contract rights, and proprietary rights, and all registrations, applications, renewals, extensions, and combinations of the foregoing, in and to the following are the exclusive property of Lessor (or, as the case may be, its subsidiaries, licensors and suppliers): (i) ASP Services, Software, Documentation, and all proprietary technology used by Lessor to perform its obligations under this ASP Agreement; (ii) all software, tools, routines, programs, designs, technology, ideas, know-how, processes, techniques and inventions that Lessor makes, develops, conceives or reduces to practice, whether alone or jointly with others, in the course of performing the Services; (iii) the fully compiled version of any of the foregoing software programs that can be executed by a computer and used without further compilation (the "**Executable Code**"); (iv) the human readable version of any of the foregoing software programs that can be compiled into Executable Code (the "**Source Code**"); and (v) all enhancements, modifications, improvements and derivative works of each and any of the foregoing (the "**Lessor Property**"). If any derivative work is created by Lessee from the Software or Services, Lessor shall own all right, title and interest in and to such derivative work. Any rights not expressly granted to Lessee hereunder are reserved by Lessor.

10. Term and Termination.

10.1. Term. The term of this ASP Agreement ("**Term**") begins on the effective date of the associated Schedule incorporating this ASP Agreement and continues until it is terminated. The term of each associated Schedule begins on the effective date of such Schedule and continues until it expires or is terminated.

10.2. Termination. Either party may terminate this ASP Agreement without cause upon thirty (30) days' prior written notice to the other party. Either party may terminate this ASP Agreement if the other party materially defaults in the performance of any of its obligations hereunder and fails to cure such default within twenty (20) days after written notice from the non-defaulting party. This ASP Agreement may not extend beyond the term of the associated Schedule.

10.3. Effects of Termination. Upon expiration or termination of this ASP Agreement for any reason: (a) all amounts, if any, owed to Lessor for ASP Service or the associated Schedule that has expired or been terminated (the "**Expired or Terminated Document**") before such termination or expiration will become immediately due and payable; (b) Lessee's right to access the ASP Services, and all licensed rights granted, in the Expired or Terminated Document will immediately terminate and cease to exist; and (c) Lessee must (i) promptly discontinue all use of any ASP Services provided under the Expired or Terminated Document (ii) erase all copies of Access Software, if any, from Lessee's computers and the computers of its customers and return to Lessor or destroy all copies of such Access Software and related Documentation on tangible media in Lessee's possession and (iii) return or destroy all copies of the Documentation in Lessee's possession or control; (d) each party shall promptly discontinue all use of the other party's Confidential Information disclosed in connection with the Expired or Terminated Document and return to the other party or, at the other party's option, destroy, all copies of any such Confidential Information in tangible or electronic form.

11. General Provisions.

11.1. Compliance with Laws. Lessee shall comply with all applicable laws and regulations, and obtain required authorizations, concerning its use of the ASP Services, including without limitation if applicable all export and import control laws and regulations. Lessee will not use any ASP Services for any purpose in violation of any applicable laws. Lessor may suspend performance if Lessee violated applicable laws or regulations.

11.2. Audits and Inspections. Upon written request from Lessor, Lessee shall furnish Lessor with a certificate signed by, at least, Vice President level executive of Lessee stating that the ASP Services are being used strictly in accordance with the terms and conditions of this ASP Agreement. During the Term and for a period of six months following the termination or expiration of this ASP Agreement, upon prior written notice, Lessor will have the right, during normal business hours, to inspect, or have an independent audit firm inspect, Lessee's records relating to Lessee's use of the ASP Services to ensure it is in compliance with the terms of this ASP Agreement.

11.3. Assignments. Assignment terms are set forth in the Master Agreement and shall also apply to this ASP Agreement.

11.4. U.S. Government End Users. If Lessee is a branch or agency of the United States Government, the following provision applies. The Software and Documentation are composed of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R. 12.212 (SEPT 1995) and are (i) for acquisition by or on behalf of civilian agencies, consistent with the policy set forth in 48 C.F.R. 12.212; or (ii) for acquisition by or on behalf of units of the Department of Defense, consistent with the policies set forth in 48 C.F.R. 227.7202 1 (JUN 1995) and 227.7202 3 (JUN 1995).

11.5. Notices. All notices, consents, and approvals under this ASP Agreement shall be the same terms as set forth in the Master Agreement.

11.6. Governing Law and Venue; Waiver of Jury Trial. This ASP Agreement will be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts without reference to its choice of law rules. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this ASP Agreement. Any action or proceeding arising from or relating to this ASP Agreement shall be brought in a federal or state court in the Commonwealth of Massachusetts, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding. Each party hereby knowingly, voluntarily, and intentionally waives any right it may have to a trial by jury in respect of any litigation arising out of or in connection with this agreement.

11.7. Remedies. Except as otherwise expressly provided in this ASP Agreement, the parties' rights and remedies under this ASP Agreement are cumulative. Lessee acknowledges that the Software and Services are built on valuable trade secrets and proprietary information of Lessor, that any actual or threatened breach hereof will constitute immediate, irreparable harm to Lessor for which monetary damages would be an inadequate remedy, and that Lessor will be entitled to injunctive relief for such breach or threatened breach. Lessee further agrees to waive and hereby waives any requirement for the security or the posting of any bond in connection with such remedies. Such remedies shall not be considered to be the exclusive remedies for any such breach or threatened breach but shall be in addition to all other remedies available at law or equity to Lessor.

11.8. Waivers. Any waiver or failure to enforce any provision of this ASP Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion.

11.9. Severability. If any provision of this ASP Agreement is held by a court of competent jurisdiction to be unenforceable, such provision will be changed and interpreted to accomplish the objectives of such provision to the greatest extent possible under applicable law and the remaining provisions of this ASP Agreement will continue in full force and effect. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this ASP Agreement, and this ASP Agreement shall continue in full force and effect, and be construed and enforced, as if such provision had not been included, or had been modified as above provided, as the case may be.

11.10. Independent Contractors. The parties are entering into, and will perform, this ASP Agreement as independent contractors. Nothing in this ASP Agreement will be construed to make either party the agent of the other for any purpose whatsoever, to authorize either party to enter into any contract or assume any obligation on behalf of the other or to establish a partnership, franchise or joint venture between the parties.

11.11. Third Parties. If Lessee engages a third-party provider ("**Third Party Provider**") to deliver products or services, including without limitation software, integrated into or receiving data from or accessing the ASP Services ("**Third Party Products or Services**"), Lessee represents, warrants and agrees that: (i) Lessee is solely responsible for any amounts owed to Third Parties Provider, (ii) Lessor shall have no liability, and makes no representation, with respect to

such Third Party Products or Services; and (iii) the Third Party Provider shall not be an agent of Lessor. To the extent the ASP Services or Software contains software owned by a third party for which Lessor has a license agreement with a third party, the ASP Services and Software and all rights granted hereunder are expressly limited by and subject to any license agreements Lessor may have for such software.

11.12. Force Majeure. Neither party shall be liable for failure of performance hereunder arising out of causes beyond such party's reasonable control and without such party's fault or negligence, including, but not limited to, failure of its suppliers to timely deliver acceptable parts or services, any act or omission of Lessee that interferes with or impedes Lessor's performance hereunder, acts of God, acts of civil or military authority, fires, riots, wars, embargoes, Internet disruptions, hacker attacks, or communications failures (a "**Force Majeure Event**").

11.13. Amendment; No Third-Party Beneficiaries; Survival. This ASP Agreement may not be amended or changed, or any provision hereof waived except in writing signed by both parties. Any different or additional terms in any purchase order, confirmation or similar form issued or otherwise provided by Lessee but not signed by an authorized representative of Lessor shall have no force or effect. There are no third-party beneficiaries of this ASP Agreement. Those provisions of this ASP Agreement that may be reasonably interpreted as surviving termination of this ASP Agreement or the survival of which is necessary for the interpretation or enforcement of this ASP Agreement shall continue in full force and effect in accordance with their terms notwithstanding the termination hereof including, but not limited to, Section 6 (Confidentiality), Section 7 (Indemnification), Section 8 (Limitation on Liability), Section 9 (Ownership), Section 10.3 (Effects of Termination) and Section 11 (General Provisions). This ASP Agreement may be executed in counterparts, each of which will be considered an original, but all of which together will constitute the same instrument.

12. HIPAA. This Section 12 applies if and to the extent that Lessor creates, receives, maintains or transmits, directly or indirectly, any protected health information of Lessee ("**PHI**") in the course of providing Software or Services to Lessee. Capitalized terms used but not defined in this Section 12 have the meanings assigned to them elsewhere in the ASP Agreement or, if not defined therein, as defined in the Health Insurance Portability and Accountability Act of 1996 (P.L. 104 191), 42 U.S.C. Section 1320d, et seq., and regulations promulgated thereunder, as amended from time to time (such statute and regulations collectively referred to as "**HIPAA**"). "**Covered Entity"** as used herein means Lessee. "**Business Associate"** as used herein means Lessor. The purpose of this Section 12 is to comply with 45 C.F.R. §164.502(e) and §164.504(e), governing PHI and business associates under HIPAA

12.1. Applicability. This Section 12 applies if and to the extent that Business Associate creates, receives, maintains or transmits, directly or indirectly, any PHI in the course of providing Software or Services to Covered Entity.

12.2. Compliance and Agents. Business Associate agrees that, to the extent it has access to PHI, Business Associate will fully comply with the requirements of this Section 12 with respect to such PHI. Business Associate will ensure that every agent, including a subcontractor, of Business Associate to whom it provides PHI received from, or created or received by Business Associate on behalf of, Covered Entity will comply with the same restrictions and conditions as set forth herein.

12.3. Use and Disclosure; Rights. Business Associate agrees that it shall not use or disclose PHI except as permitted under this ASP Agreement, and in compliance with each applicable requirement of 45 CFR Section 164.504(e). Business Associate may use or disclose the PHI received or created by it, (a) to perform its obligations under this ASP Agreement, (b) to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Master Agreement, or (c) to provide data aggregation functions to Covered Entity as permitted by HIPAA. Further, Business Associate may use the PHI received by it in its capacity as Business Associate, if necessary, to properly manage and administer its business or to carry out its legal responsibilities. Business Associate may disclose the PHI received by it in its capacity as Business Associate to properly manage and administer its business or to carry out its legal responsibilities if: (a) the disclosure is required by law, or (b) the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it is disclosed to the person and the person notifies Business Associate of any instances of which it is aware that the confidentiality of the information has been breached. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by Covered Entity.

12.4. Safeguards. Business Associate agrees to develop, document, use, and keep current appropriate procedural, physical, and electronic safeguards, as required in 45 C.F.R. §§164.308 - 164.312, sufficient to prevent any use or disclosure of electronic PHI other than as permitted or required by this ASP Agreement.

12.5. Minimum Necessary. Business Associate will limit any use, disclosure, or request for use or disclosure to the minimum amount necessary to accomplish the intended purpose of the use, disclosure, or request.

12.6. Report of Improper Use or Disclosure. Business Associate shall report to Covered Entity any information of which it becomes aware concerning any use or disclosure of PHI that is not permitted by this ASP Agreement and any security incident of which it becomes aware. Business Associate will, following the discovery of a breach of "**unsecured protected health information**," as defined in 45 C.F.R. § 164.402, notify Covered Entity of such breach within 15 days. The notice shall include the identification of each individual whose unsecured protected health information has been or is reasonably believed by Business Associate to have been, accessed, acquired, or disclosed during such breach. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this ASP Agreement.

12.7. Individual Access. In accordance with an individual's right to access to his or her own PHI in a designated record set under 45 CFR §164.524 and the individual's right to copy or amend such records under 45 CFR §164.524 and §164.526, Business Associate shall make available all PHI in a designated record set to Covered Entity to enable the Covered Entity to provide access to the individual to whom that information pertains or such individual's representative.

12.8. Amendment of and Access to PHI. Business Associate shall make available for amendment PHI in a designated record set and shall incorporate any amendments to PHI in a designated record set in accordance with 45 CFR §164.526 and in accordance with any process mutually agreed to by the parties.

12.9. Accounting. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to an individual's request for an accounting of disclosures of their PHI in accordance with 45 CFR §164.528. Business Associate agrees to make available to Covered Entity the information needed to enable Covered Entity to provide the individual with an accounting of disclosures as set forth in 45 CFR §164.528.

12.10. DHHS Access to Books, Records, and Other Information. Business Associate shall make available to the U.S. Department of Health and Human Services ("**DHHS**"), its internal practices, books, and records relating to the use and disclosure of PHI received from or created or received by Business Associate on behalf of, Covered Entity for purposes of determining the Covered Entity's compliance with HIPAA.

12.11. Individual Authorizations; Restrictions. Covered Entity will notify Business Associate of any limitation in its notice of privacy practices, any restriction to the use or disclosure of PHI that Covered Entity has agreed to with an individual and of any changes in or revocation of an authorization or other permission by an individual, to the extent that such limitation, restriction, change, or revocation may affect Business Associate's use or disclosure of PHI.

12.12. HITECH Act Compliance. Covered Entity and Business Associate agree to comply with the amendments to HIPAA included in the Health Information Technology for Economic and Clinical Health Act (the "**HITECH Act**"), including all privacy and security regulations issued under the HITECH Act that apply to Business Associate.

12.13. Breach; Termination; Mitigation. If Covered Entity knows of a pattern of activity or practice of Business Associate that constitutes a material breach or violation of Business Associate's obligations under this Section 12, Covered Entity and Business Associate shall take any steps reasonably necessary to cure such breach and make Business Associate comply, and, if such steps are unsuccessful, Covered Entity may terminate this ASP Agreement. Business Associate shall take reasonable actions available to it to mitigate any detrimental effects of such violation or failure to comply.

12.14. Return of PHI. Business Associate agrees that upon termination of this ASP Agreement, and if feasible, Business Associate shall (a) return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, that Business Associate has continued to maintain in any form or manner and retain no copies of such information or, (b) if such return or destruction is not feasible, immediately notify Covered Entity of the reasons return or destruction are not feasible, and extend indefinitely the protection of this Section 12 to such PHI and limit further uses and disclosures to those purposes that make the return or destruction of the PHI not feasible.

12.15. De-identified Health Information. Business Associate may de-identify any and all PHI and may create a "**Limited Data Set**" in accordance with 45 C.F.R. § 164.514(b) & (e). Covered Entity acknowledges and agrees that de-identified information is not PHI and that Business Associate may use such de-identified information for any purpose not prohibited by HIPAA. Use or disclosure of a Limited Data Set must comply with 45 CFR 164.514(e).

12.16. Survival. All representations, covenants, and agreements in or under this Section 12 shall survive the execution, delivery, and performance of this ASP Agreement.

12.17. Further Assurances; Conflicts. Each party shall in good faith execute, acknowledge or verify, and deliver any and all documents which may from time to time be reasonably requested by the other party to carry out the purpose and intent of this Section 12. The terms and conditions of this Section 12 will override and control any expressly conflicting term or condition of the Master Agreement. All non-conflicting terms and conditions of the Master Agreement shall remain in full force and effect. Any ambiguity shall be resolved in a manner that will permit Covered Entity to comply with HIPAA. For the avoidance of doubt, a limitation on liability in the Master Agreement does not conflict with this Section 12.

12.18. Applicable Law. The parties acknowledge and agree that HIPAA may be amended and additional guidance or regulations implementing HIPAA may be issued after the date of the execution of this ASP Agreement and may affect the parties' obligations hereunder. The parties agree to take such action as is necessary to amend this ASP Agreement from time in order as is necessary for Covered Entity to comply with HIPAA.

EXHIBIT C

Worry-Free Service Plan

WORRY-FREE SERVICE PLAN

The following repair services are included under the Worry-Free Service Plan ("Worry-Free"). Should Equipment be deemed unrepairable, based on Lessor's generally accepted technical support practices, replacement of such Equipment shall be the responsibility of Lessee.

1. Field Preventive Maintenance at Lessee's facility, including:
   - Provide documentation for regulatory agencies
   - Manage and track Lessee's Preventive Maintenance ("PM") schedule
   - Test all device parameters
   - Identify and/or troubleshoot potential issues and make recommendations
   - Troubleshoot device(s) and/or accessories under contract
   - Inspect battery chargers and review battery management as required
2. Telephone Support 24/7
3. General software updates
4. Free loaner equipment as determined by Lessor
5. Technical support for Equipment as described on the ZOLL website (https://www.zoll.com/contact/technical-support)
6. Waiver of shipping and handling fees
7. Waiver of Minimum Service Fee
8. Repair or replacement of parts within the charger that are subject to normal wear and burnout during normal use, including but not limited to, lamps, fuses, batteries, patient cables and accessories.
9. Repair or replacement, at Lessor's sole option, at no charge to the Lessee, of the charger if it is affecting the integrity of the device.
10. SurePower chargers (parts and labor covered for normal wear and tear as determined by Lessor)
11. ECG 12-lead cable replacement upon failure, excluding physical damage, with one replacement per unit per year.
12. On-site device deployment when repaired unit is returned
13. Lithium-ion SurePower II Battery replacement (upon end of life), subject to the following:
    - Batteries must be maintained per Lessor's recommended maintenance program
    - Batteries are replaced upon failure, one for one, throughout the term of the Schedule, should the SurePower battery or SurePower Charger display a fault.
    - Batteries must be evaluated, and the failure confirmed by Lessor Technical Support and/or an on-site field service technician.
    - Up to three batteries per device will be covered for batteries acquired from Lessor in the last 24 months. (When service plan purchased post-sale.)
    - For batteries acquired from Lessor over twenty-four (24) months prior, one battery per device will be covered.
14. Accidental damage coverage. Includes one device outer housing replacement per year per device. Catastrophic damage beyond repair will not be covered. Lessor's regular service charges shall apply if device is in need of a second outer housing replacement within twelve (12) months of previous outer housing replacement, providing device is still under this Worry-Free plan.

ON-SITE SUPPORT OPTION

15. On-site Support, including evaluation and packing of device for return to Lessor's service depot
    - On-site Support – 48–72-hour response. Includes authorized on-site device repairs for all capital equipment included in Exhibit A, evaluation, packing of device for return to Lessor's service depot.

- In the event of a reported device malfunction, the device should be made available to the Lessor's Field Service Engineer ("FSE") during the scheduled visit at one of the two centrally located stations.
- A primary and back-up contact must be provided to the FSE for all communication.
- Routine service inspections will be conducted on Lessee's site during normal working hours (8.30am – 5.30pm EST, Monday – Friday).
- Outside of normal business hours, arrangements are available by request only. Lessor reserves the right to charge additional fees for such services, to be agreed between Lessor and Lessee.

16. The postponement of a routine service inspection shall not diminish Lessee's responsibility for the continued proper use and upkeep of the equipment, in accordance with the applicable user manuals.

17. ECG 12-lead cable replacement upon failure, excluding physical damage, one replacement per unit per year

EXHIBIT D

Notice Information:

If to Lessor by mail to:

ZOLL Medical Corporation
269 Mill Road
Chelmsford, MA 01824-4105
Attn: Contracts Department 214

If to Lessor by email to both:
Contracts@zoll.com

All notices of a legal nature should also be sent to:
By mailto:

ZOLL Medical Corporation
269 Mill Road
Chelmsford, MA 01824-4105
Attn: Office of General Counsel

By email to:
LegalNotice@zoll.com

If to Lessee:

South Lake Tahoe Fire Department
2101 Lake Tahoe Blvd
South Lake Tahoe, CA 96150
Attn: Jim Drennan

Lessee's Information:

Lessee hereby represents and warrants, as of the date of the Master Agreement and each Schedule (subject to any updates provided to Lessor):

1. The exact legal name of Lessee, as set forth in its formation documents, is [LEGAL NAME OF LESSEE COMPANY].
2. Lessee is a subdivision in the State of [STATE].
3. Lessee's federal tax identification number is: [TAX ID NUMBER].

One Partner. One Plan. One Payment.

ZOLL One is an all-inclusive program designed to simplify acquiring, managing, and protecting your resuscitation equipment investment — now and in the future.

ZOLL One

MOVING CARE FORWARD

At ZOLL®, our goal is to help more rescuers save lives. Our innovative products empower rescuers everywhere.

- X Series® Advanced
- AED Plus®, AED Pro®, ZOLL AED 3® BLS
- AutoPulse® Resuscitation System
- Z Vent®
- ResQCPR® System
- RescueNet® Live
- RescueNet® CaseReview

DEDICATION BEYOND DELIVERY

Patient care is your top priority, so it's essential to ensure that your lifesaving equipment is ready — every time it's needed. No surprises. No worrying.

- Accidental damage coverage
- Battery replacement
- On-site service
- Preventative maintenance
- Discounts on accessories
- Parameter upgrades
- 24-hour technical support line

CHANGE WITH CONFIDENCE

Change is constant. It's a sign of moving forward, but it can bring logistical challenges. We created the ZOLL XChange™ program to ease your adoption of new technologies. A team of experienced EMS professionals, IT specialists, and project managers provide transition services to help ensure a smooth conversion to ZOLL devices for your crews.

- Deployment and in-service support
- Project management
- IT consultations
- ELearning

CLINICAL SUPPORT FOR PROVIDERS

We all share a common goal: to provide the highest level of care. Whether you are interested in exploring new technology or want to maximize the clinical utility of your ZOLL equipment, we have a program that's right for you — led by providers just like you.

- Outcomes-based clinical operations support
- Clinical Data Assistance program
- Clinical Roadways program
- Advanced Cardiac Resuscitation (ACR) program

YOUR BUDGET, YOUR WAY

We know that funding equipment can be challenging. To help your agency maintain budget flexibility, ZOLL One offers an alternative to traditional funding.

- Fixed payments for life of agreement
- Lower out-of-pocket cost
- Technology upgrades
- Additional discounts on disposables and accessories
- Capital budget relief
- Flexible options at end of agreement

Copyright © 2022 ZOLL Medical Corporation. All rights reserved. ZOLL is a registered trademark of ZOLL Medical Corporation in the United States and/or other countries. All other trademarks are the property of their respective owners.

ZOLL®

SOLE BRAND/SOLE SOURCE REQUEST JUSTIFICATION/APPROVAL FORM

SOLE SOURCE VENDOR: ZOLL Medical Corporation
ADDRESS: 269 Mill Rd Chelmsford, MA 01824 PHONE NO. (916) 798-7644
ITEM TO BE PURCHASED: (6) X Series Advanced Monitor/Defibrillator
DOLLAR AMOUNT: $100,000 down payment with an annual lease of $43,558.09

Check reasons for sole source request:

1. X **Proprietary**: The item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.

X **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc.
Explain:

_____ **Sole Source**: No other items are known to exist which perform the same function.

2. Describe the product service: All other agencies in the area including Barton Hospital utilize Zoll Monitors. Our intent is to standardize equipment so that patient transfer from agency to agency is seamless.

3. Describe how the product or service is unique and one-of-a-kind: The Zoll Monitor is a lightweight cardiac monitor allowing for ease of use in urban and backcountry environments. It is smaller and more compact than the closest competitor.

4. Is the product or service available from other distributors?
If YES, list names of vendors:
If NO, explain why the product/service is available from only one source and what avenues you pursued to confirm that this is factual. Zoll Monitors are only available through Zoll Medical Corporation. There are no other distributors of this product.

5. Can your requirements be modified to allow competitive products or services be used?
Explain: No. We currently use Physio Control Lifepak monitors which are heavier and not compatible with any other agency in the area.

DEPARTMENT/DIVISION: Fire Department

DEPARTMENT HEAD SIGNATURE: Jim Duncan DATE: 7/18/2023

DIVISION HEAD SIGNATURE: _____ DATE: _____

*** CITY MANAGER SIGNATURE:** Joseph [illegible] DATE: 7/18/2023

* Requests over $7,000 require **City Manager's** approval. Requests over $50,000 requires City Council's approval.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

August 8, 2023

Authorizing Sole Source Purchase and Execution of Lease Agreement with Zoll Medical Corporation for six Cardiac Monitors and Amending the FY 2022-23 Budget by Appropriating $147,000 into account 236 02262 46110

BACKGROUND

A. Our current fleet of Advanced Life Support ("ALS") Cardiac Monitors is nearing end of lifespan and the Fire Department would like to replace with Zoll Medical Corporation monitors as they are the same model used by all other agencies and Barton Hospital.
B. Our current ALS cardiac monitors are not compatible with neighboring ALS providers.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Authorizes the Fire Department to lease six Zoll Medical Corporation ALS Cardiac Monitors in a 10-year lease agreement under Sole Source purchasing provision.
2. Appropriates $147,000 from available Emergency Medical Services funds into EMS fund 236 02262 46110 for fiscal year 22/23.

Adopted by the City of South Lake Tahoe City Council on August 8, 2023 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
Mayor Cristi Creegan

Attest:

_____
Susan Blankenship, City Clerk

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 4

Agenda Item: Quitclaim U.S. Highway 50 - South Lake Tahoe Safety Project Utility Easements

Executive Summary: Caltrans is performing easement acquisitions for the U.S. Highway 50 Safety Project. Two easements written in favor of the City as the beneficiary were recently recorded as a part of Caltrans right-of-way acquisition efforts. Caltrans determined the correct beneficiary of the two easements was the State of California. Caltrans has requested the City quit claim the incorrect easements allowing the completion of right-of-way easement acquisitions which will allow advertisement of the bid to construct the U.S. Highway 50 Safety Project.

Requested Action / Suggested Motions: Pass a Resolution approving an Easement Quitclaim Deed to remove City easement rights on APN 029-161-025 as described within the Easement Quitclaim Deed and authorizing the City Manager to sign the Quitclaim Deed.

Responsible Staff Member: Stan Hill, Engineering Manager, Emily Dougherty, Engineering Technician

Reviewed and Approved By: Anush Nejad, Director of Public Works Susan Blankenship, City Clerk Olga Tikhomirova, Finance Director Heather Stroud, City Attorney

Attachments:

01-Staff Report - Quitclaim Deed.docx
02-Resolution_CaltransQuitclaimRequest.docx
03-Quitclaim_Deed.pdf

City of South Lake Tahoe
Report to City Council

Meeting Date: August 8, 2023

Title: Quitclaim U.S. Highway 50 – South Lake Tahoe Safety Project Utility Easements

Location: U.S. Highway 50 (AKA Lake Tahoe Blvd) South Y to Pioneer Trail

Responsible Staff Member: Stan Hill, Engineering Manager/City Engineer

Background: Following a highway safety audit on U.S. Highway 50 and State Route 89 in South Lake Tahoe, Caltrans initiated a highway safety project between the South Y and east Pioneer Trail. Project work is directed toward reducing risk to pedestrians and bicyclists along the highway corridor. Proposed safety improvements consist of filling in dark sections of the Lake Tahoe Blvd corridor with standard City decorative streetlights, safety lighting at critical locations, new pedestrian crossings with rapid flashing pedestrian crossing beacons, and a new traffic signal at the Johnson Blvd intersection.

The Caltrans highway safety project requires the acquisition of utility easements to provide the space for public improvements along the length of the highway right-of-way. Utility easements are being acquired by Caltrans for the proposed streetlights, electrical panels, conduit, and electrical handhole boxes. Caltrans Right-of-Way Division is providing all necessary resources and funding to acquire the easements, design the improvements, advertise, bid, and award the Project, pay all construction costs, and cover all construction management expenses.

Utility easements specific to the City's decorative streetlights are written with the City as the beneficiary. Easement documents for the streetlights are first accepted by the City and then recorded by Caltrans. Following the completion of the project improvements, the decorative streetlights will become City property. In accordance with an approved streetlight maintenance agreement, the City will perform operations and maintenance (O&M) on the streetlights. The City is only responsible for O&M expenses on the City's standard decorative streetlight. All other lighting and improvements will be owned, operated, and maintained by Caltrans.

Easements granted to the City must include documentation of the City's acceptance of the easements before they can be recorded. Easement Acceptance procedures prevent the recording of unwanted easements that could include undesirable requirements and liability. Authorization to accept easements was assigned to the City Manager by resolution in 1972 (Resolution No. 1972-37). Allowing the City Manager to accept easements on behalf of the City Council assists with the ability to quickly complete easement acquisitions by reducing the time-consuming administrative procedure that would be required if easement acceptance required a City Council action. The City Manager signed, and attested Easement Acceptance document is recorded concurrently with the easement Grant Deed.

Issue and Discussion: Caltrans has and continues to diligently acquire the utility easements needed for the U.S. Highway 50-South Lake Tahoe Safety Project. Unfortunately, two of the recorded easements should have been written in favor of the State of California but were mistakenly written in favor of the City. Caltrans has requested the City quitclaim the two erroneous recorded easements, a procedure that will remove the easements from the affected property title.

Although Resolution No. 1972-37 authorizes the City Manager to accept easements on behalf of the City Council, the City Manager was not given the authority to quitclaim easements. Therefore, the easement quitclaim must be authorized by the City Council. The proposed resolution attached to this staff report authorizes the quitclaim of two utility easements that were mistakenly written by the Caltrans Division of Right-of-Way as the City is the beneficiary. Following the easement quitclaim, Caltrans will complete the corrected easement documents with the State of California as the beneficiary and record the corrected easement documents.

Financial Implications: There are no financial implications.

Environmental Considerations: This is not a “project” subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative activities).

Policy Implications: This action will advance the US 50 Safety Project for advertisement and construction and will provide safety benefits.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

August 8, 2023

Quitclaim U.S. Highway 50 – South Lake Tahoe Safety Project Utility Easements

BACKGROUND

A. Utility easements drafted by Caltrans Division of Right-of-Way incorrectly cited the City of South Lake Tahoe as the beneficiary of the easement right.

B. Caltrans notified the City of South Lake, Public Works Department of the need to remove the incorrect easements from the affected private property title.

C. Removing unwanted easements from a property title requires the recording of an Easement Grant Deed Quitclaim Deed.

D. For City owned property, an easement Quitclaim Deed must be approved by City Council.

E. The City Manager, authorized under Resolution No. 1972-37, signed the Easement Acceptance document.

F. The City Manager will be the correct City official to sign the Deed Quitclaim upon approval by the City Council.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Approves the Quitclaim Deed affecting two easements on property assigned APN 029-161-025 as described within Exhibit A of the attached Quitclaim Deed.
2. Authorizes the City Manager to sign the attached Quitclaim Deed.

Adopted by the City of South Lake Tahoe City Council on August 8, 2023, by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____
Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Recording Requested by and when Recorded Return to:

City of South Lake Tahoe
Attn: City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Space above this line for Recorder's Use

Portion APN: 029-161-025

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTIONS 6103 and 27383 OF THE CALIFORNIA GOVERNMENT CODE.

QUITCLAIM DEED

District	County	Route	Postmile	Number
03	ED	50	79.9	038061-1 & 2

City of South Lake Tahoe, a body politic and municipal corporation of the State of California, hereinafter called GRANTOR, hereby releases and quitclaims to Kuldeep Singh Mand and Deepak Mand, husband and wife, as community property, hereinafter called GRANTEE, all right, title and interest in and to all that real property in the City of South Lake Tahoe, County of El Dorado, State of California, described as follows:

See Exhibit "A", attached.

Dated:_____

City of South Lake Tahoe, a body politic and municipal corporation of the State of California

By: _____
Joseph Irvin, City Manager
City of South lake Tahoe

EXHIBIT “A”

PARCEL 038061-1

Parcel 038061-1 as described in that certain Grant of Utility Easement recorded June 6, 2023, in Document No. 2023-0015405, Official Records, El Dorado County Records, said parcel being more particularly described as follows, to wit:

A portion of Parcel One as said parcel is described in that certain Grant Deed recorded February 9, 2022, in Document No. 2022-0006506, Official Records, El Dorado County Records, said portion being described as follows:

COMMENCING at a 2 inch iron pipe with cap marking a point on the northerly line of Parcel 1, said point being the easterly terminus of that certain course having a bearing and distance of “South 89°20’03” East 1496.65 feet” as shown on that certain Parcel Map filed in Book 45 of Parcel Maps, at Page 115, El Dorado County Records, said point lying North 89°26'58" East 1496.13 feet from a 2 inch iron pipe with cap marking the westerly terminus of said certain course as shown on said map; THENCE leaving said northerly line North 62°48’39” East 1175.38 feet to a point on the southeasterly right of way line of State Highway 50, being the POINT OF BEGINNING; THENCE from said point of beginning leaving said southeasterly right of way line South 31°55'28" East 8.00 feet; THENCE North 58°56'51" East 8.00 feet; THENCE North 31°56'34" West 8.00 feet to a point on said southeasterly right of way line; THENCE along said southeasterly right of way line South 58°55’10” West 8.00 feet to the point of beginning.

PARCEL 038061-2

Parcel 038061-2 as described in that certain Grant of Utility Easement recorded June 6, 2023, in Document No. 2023-0015405, Official Records, El Dorado County Records, said parcel being more particularly described as follows, to wit:

A portion of Parcel Two as said parcel is described in that certain Grant Deed recorded February 9, 2022, in Document No. 2022-0006506, Official Records, El Dorado County Records, said portion being described as follows:

COMMENCING at a 2 inch iron pipe with cap marking a point on the northerly line of Parcel 1, said point being the easterly terminus of that certain course having a bearing and distance of “South 89°20’03” East 1496.65 feet” as shown on that certain Parcel Map filed in Book 45 of Parcel Maps, at Page 115, El Dorado County Records, said point lying North 89°26'58" East 1496.13 feet from a 2 inch iron pipe with cap marking the westerly terminus of said certain course as shown on said map; THENCE leaving said northerly line North 62°37’00” East 1237.04 feet to a point on the southeasterly right of way line of State Highway 50, being the POINT OF BEGINNING; THENCE from

said point of beginning leaving said southeasterly right of way line South 32°25'46" East 8.43 feet; THENCE North 57°55'25" East 8.01 feet; THENCE North 32°27'00" West 8.30 feet to a point on said southeasterly right of way line; THENCE along said southeasterly right of way line South 58°55’10” West 8.01 feet to the point of beginning.

The bearings and distances used in the above description are based on the California Coordinate System of 1983(2011), Zone 2, as determined by ties to the California High Precision Geodetic Network, Epoch 2017.50. Distances are in feet unless otherwise noted. Divide distances by 0.999623 to obtain ground level distances.

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors’ Act.

Signature _____
Professional Land Surveyor

Date 6-27-2023

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 5

Agenda Item: Amendment No. 1 to California Tahoe License Agreement No. 2022-0214-LT-279

Executive Summary: The proposed amendment to the Conservancy-City, Tahoe Valley license agreement will add property located along the westerly side of 4th Street between Barton Avenue and Lake Tahoe Blvd to the Tahoe Valley Project area. The amendment will also change the use of the adjacent, westerly property to allow re-establishment of a section of the historic Tahoe Valley Creek. The restoration work located at the lower end of the Tahoe Valley Greenbelt Project area will provide additional water quality treatment and riparian Stream Environment Zone (SEZ) enhancement.

Requested Action / Suggested Motions: Pass a Resolution approving Amendment No. 1 to the existing California Tahoe Conservancy License Agreement No. 2022-0214-LT-279 (Tahoe Valley Stormwater and Greenbelt Improvement Project).

Responsible Staff Member: Stan Hill, Engineering Manager, Jason Burke, Complete Streets Program Manager

Reviewed and Approved By: Anush Nejad, Director of Public Works Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Shroud, City Attorney

Attachments:

01-Staff Report - CTC Amendment.docx
02-Project Location Map.pdf
03-Resolution_-_CTC_Amendment_No._1_to_License_Agreement.docx
04-License-Agreement_Amendment-1.pdf
05-C-044-2022 California Tahoe Conservancy License Agreement Final.pdf

City of South Lake Tahoe
Report to City Council

Meeting Date: August 8, 2023

Title: Amendment No. 1 to the Conservancy-City, Tahoe Valley Stormwater and Greenbelt Improvement Project License Agreement No. 2022-0214-LT-279 (C-044-2022)

Location: Tahoe Valley drainage watershed, inclusive to the "Greenbelt" area located behind The Crossing (AKA "factory stores") at the South Y and the drainage watershed extending between west F Street down to Tahoe Keys Blvd (see Attachment 02 - Project Location Map)

Responsible Staff Member: Stan Hill, Engineering Manager/City Engineer
Jason Burke, Complete Streets Program Manager

Background: the Tahoe Valley Greenbelt and Stormwater Improvement Project (Tahoe Valley) is a vital community and environmental improvement project. Based on feedback from the public received during the Area Plan process, and subsequent design meetings and public survey for the Greenbelt area, the project has been developed to provide the following benefits requested by the community and stakeholders:

- Improved connectivity for bicyclists and pedestrians between neighborhoods and Town Center amenities, including bridges over flooded portions of the trails;
- Safety lighting that is dark sky compatible and improves safety for active transportation;
- Area-wide stormwater treatment compliance to facilitate commercial and attainable housing development on Area Plan Town-Center parcels;
- Public gathering space for public art and educational signage to provide enhanced amenities for increased residential development in and around the Town-Center;
- New community park improvements and features to serve residents and visitors;
- New bicycle and pedestrian path connections to the Y area and public gathering space to facilitate private investment on adjacent commercial and residential properties;
- Expanded floodplain and Stream Environment Zone (SEZ) riparian habitat to provide for increased climate resiliency; and
- Natural treatment, permeable pavements, and source control to reduce sediment and nutrients carried in urban stormwater runoff, as required by the Lake Tahoe Total Maximum Daily Load (TMDL) and associated Municipal Stormwater Permit.

Due to the size and diversity of the overall project, Public Works has split the project into two phases in order to secure funding from a variety of eligible and applicable funding sources. Since Phase 1 is focused on removing nutrients and sediment from urban stormwater runoff, this portion of the project was funded by State Water Resources Control Board (SWRCB) Prop. 1 funds focused on water quality. Phase 1 was bid and awarded during the spring and summer of 2022. Construction work was suspended during the winter months of 2022 through the spring and part of the summer of 2023. Construction work has recently resumed; Phase 1 construction is anticipated to occur in late July 2024.

Issue and Discussion: The resolution accompanying this staff report amends the existing Project license agreement to add the properties located at the southwesterly corner of the Lake Tahoe Blvd – 4th Street intersection, commonly referred to as the Urgent Care parcels.

The Conservancy Board approved an amendment to the Conservancy-City, Tahoe Valley license agreement to add the Urgent Care parcel to the Project area and change the use of a second Conservancy-owned property located along the westerly side of the Urgent Care parcel. The addition of the Urgent Care parcel will allow daylighting of a section of Tahoe Valley Creek. Restoration work proposed on the Conservancy-owned parcels will reopen historic environmentally sensitive habitats to species cohabitating within this urban environment in the Project area.

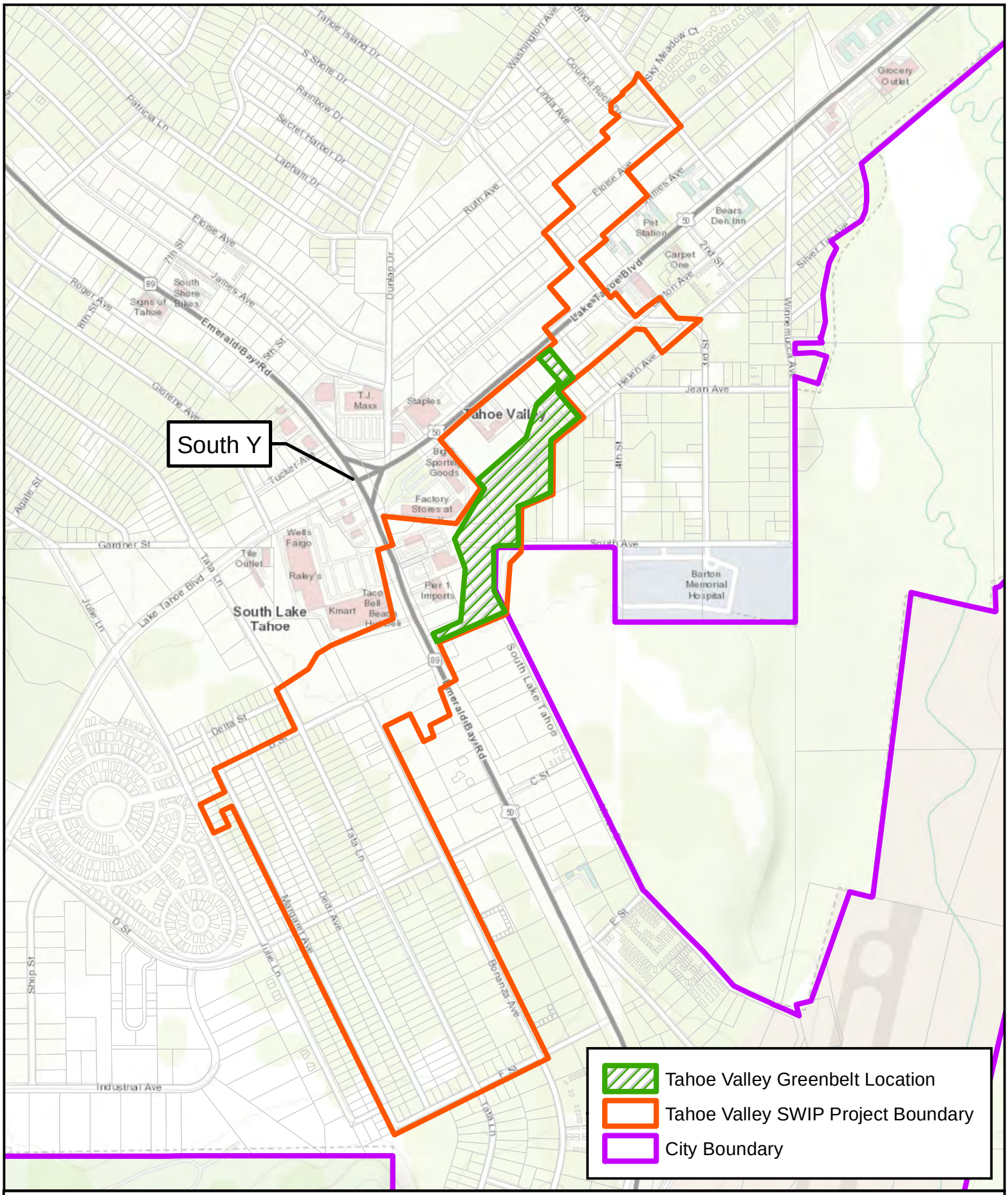
Financial Implications: Grant funding will be used for land restoration and site improvements. Post-project construction maintenance will be included as a part of the construction work to provide a 2-year revegetation responsibility to the Contractor. The two-year maintenance agreement will assist with establishing vegetation within the water quality treatment basin. Maintenance efforts following the two-year vegetation establishment period will become the City's responsibility. The annual cost to maintain this added area is estimated to average approximately $3,000 per year.

Environmental Considerations: The Planning Commission adopted the CEQA and Mitigated Negative Declaration (MND) for the Greenbelt and Stormwater Improvement Project on May 9, 2019, SCH# 20190292152. The Conservancy approved an amendment to the CEQA MND at the June 2023 Board meeting. Public Works will work with the Planning Division to have the amendment heard and approved at the regularly scheduled September Planning Commission meeting.

Policy Implications: Completing project improvements will assist with meeting the sediment and nutrient reductions mandated by the Lake Tahoe Total Maximum Daily Load (TMDL) program. Fulfilling mandated TMDL reduction goals will assist with maximizing residential housing allocations under TRPA Code section 50.5.2.E.2 (Distribution and Administration of Residential Allocations – TMDL Implementation). The Project advances the City Council Strategic Priorities and Goals, specifically:

- **Action Item 1.4 (Transportation)** to prioritize implementation of mixed-use recreational trails and Class 1 bike trails and closing gaps in the bicycle trail system.
- **Action Item 2.3 (Connectivity)** to facilitate implementation of trail infrastructure prioritizing the connection of bicycle and walking trails, from neighborhoods near the Greenbelt to the South Y commercial area and beyond.
- **Action Item 5.3 (Infrastructure and Maintenance)** by actively seeking funding to develop sustainable infrastructure projects, based on the prioritized capital improvement project list.

The project will also provide greenhouse gas reduction benefits, providing progress on Action #WB-1 of the 2020 Climate Action Plan: Improve bicycle and pedestrian networks.



Department of
Public Works -
Engineering Division

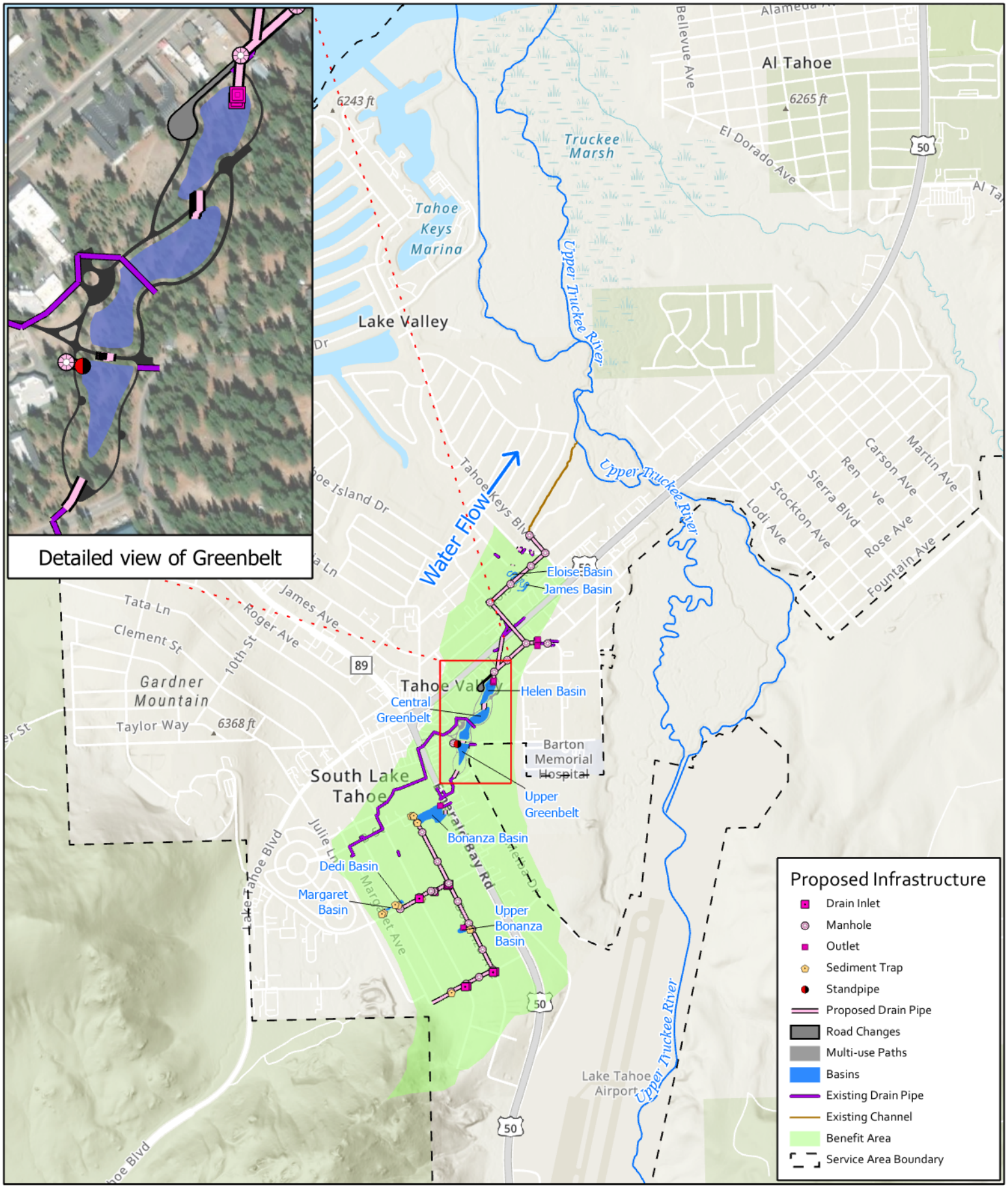
CITY OF SOUTH LAKE TAHOE

Tahoe Valley Storm Water Improvement Project Area Map

N

0 500 1,000
Feet

Document Path: \\sltpublicworks\public works\GIS files\Projects\Engineering\TahoeValleyGreenbelt\TahoeValleyGreenbeltProjectMap.mxd 12/1



CITY OF SOUTH LAKE TAHOE

Tahoe Valley Stormwater and Greenbelt Improvement Project
Stormwater Treatment and Benefit Areas

Public Works Department - Engineering

N

0 800 2,000 2,000 3,000 4

Feet

Path: J:\GIS files\Projects\Engineering\TahoeValleyGreenbelt\TahoeValleyGreenbelt.aprx | Layout: TVG DAC Project Map | Date Exported: 7/1/2020

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

August 8, 2023

Approving Amendment No. 1 to the Conservancy-City, Tahoe Valley Stormwater and Greenbelt Improvement Project License Agreement No. 2022-0214-LT-279 (C-044-2022)

BACKGROUND

A. The City of South Lake Tahoe (City) is engaged in a collaborative interagency partnership to meet the Tahoe Regional Planning Agency thresholds and install Best Management Practices for the multi-benefit Tahoe Valley Stormwater and Greenbelt Improvement Project.

B. On April 5, 2022, City Council approved California Tahoe Conservancy License Agreement No. 2022-0214-LT-279, which grants the City the right to occupy and use as described within the License Agreement, 17 Conservancy-owned properties located throughout the Tahoe Valley Stormwater and Greenbelt Improvement Project area.

C. The Conservancy purchased two additional properties located at the lower end of the Tahoe Valley Greenbelt area (westerly of 4th Street, between Barton Avenue and Lake Tahoe Blvd), commonly referred to as the Urgent Care parcels.

D. Use of the Urgent Care parcels as a part of the Tahoe Valley Project, Phase 2 will provide a direct overland stormwater route between Barton Avenue and 4th Street and allow riparian Stream Environment Zone (SEZ) enhancement, and water quality treatment within the reclaimed section of the Tahoe Valley Creek alignment.

E. Based on preliminary plans prepared for the daylighted Tahoe Valley Creek and water quality treatment basin, the Conservancy amended the Tahoe Valley Project CEQA Mitigated Negative Declaration, and the Conservancy Board adopted the amendment at their June 2023 Board meeting.

F. The proposed amendment to the License Agreement will allow expansion of the Tahoe Valley, Phase 2 project over and through the Urgent Care property purchased by the Conservancy and allow a change of use to the property located immediately west of the Urgent Care parcel (commonly referred to as the Smoke Shop parcel).

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Approves the Amendment to California Tahoe Conservancy License No. 2022-0214-LT-279.

2. Authorizes the Mayor to sign Amendment No. 1 to License Agreement No. 2022-0214-LT-279.

Adopted by the City of South Lake Tahoe City Council on August 8, 2023 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

AMENDMENT TO LICENSE NO. 2022-0214-LT-279

Tahoe Valley Stormwater and Greenbelt Improvement Project

THIS AMENDMENT TO THE LICENSE AGREEMENT ("Amendment") is made on this ____ day of _____, 2023, by and between the California Tahoe Conservancy, hereinafter called "Licensor," and the City of South Lake Tahoe, hereinafter called "Licensee."

WHEREAS, Licensor and Licensee entered into the License Agreement as of April 5, 2022, whereby Licensor granted Licensee access onto and through, and construction within, portions of Licensor-owned parcels located in the City of South Lake Tahoe for the purpose of conducting surveys, construction, and maintaining the Tahoe Valley Stormwater and Greenbelt Improvement Project ("Project").

WHEREAS, Licensor and Licensee wish to amend the License Agreement as set forth herein.

NOW, THEREFORE, it is agreed that the License Agreement shall be amended as follows:

1. The License Area, as defined in Section 1 of the License Agreement, is amended by adding El Dorado County Assessment Number (AN) 023-241-022.

2. Exhibit A to the License Agreement is amended by adding a new row to the table under "Greenbelt Project Area (central)" for AN 023-241-022, and by revising the text in the row corresponding to AN 023-241-023, as shown below:

022-241-022	2130 Lake Tahoe Blvd.	**[Exhibit B-3]** Stormwater treatment basin and riparian SEZ enhancement; existing stormawater pipeline retrofit/replacement; masonry seat wall and wood buck/pole barrier fencing
022-241-023	2122 Lake Tahoe Blvd.	**[Exhibit B-3]** Multi-use paved trail connector (Greenbelt entry trail); stormwater treatment basin and riparian SEZ enhancement; existing stormwater pipeline retrofit/ replacement; masonry seat wall and wood buck/pole barrier fencing

3. Exhibit B-3 to the License Agreement is hereby replaced by Exhibit B-3 attached to this Amendment.

4. This Amendment is incorporated into the License Agreement and shall be deemed a part thereof. All terms and provisions of the License Agreement not expressly modified in this Amendment shall remain the same and in full force and effect. In the event of a conflict between the terms of this Amendment and the terms of the License Agreement, the terms of this Amendment shall control.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment in duplicate as of the day and year first herein written.

CALIFORNIA TAHOE CONSERVANCY

LICENSOR

By: _____

Michael Steeves
General Counsel
1061 Third Street
South Lake Tahoe, CA 96150
(530) 542-5580
Michael.steeves@tahoe.ca.gov

California Tahoe Conservancy Contact:
Scott Cecchi
(530) 208-8323
scott.cecchi@tahoe.ca.gov

CITY OF SOUTH LAKE TAHOE

LICENSEE

By: _____

Cristi Creegan
Mayor
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
(530) 318-9055
ccreegan@cityofslt.us

Approved as to form:

_____
Heather Stroud, City Attorney

Attest Mayor's signature:

Seal:

By: _____
Susan Blankenship, City Clerk

EXHIBIT B3

CAUTION! THE LOCATION OF EXISTING UTILITIES SHOWN IS APPROXIMATE. ALL EXISTING UTILITIES SHALL BE POTHOLED PRIOR TO CONSTRUCTION.

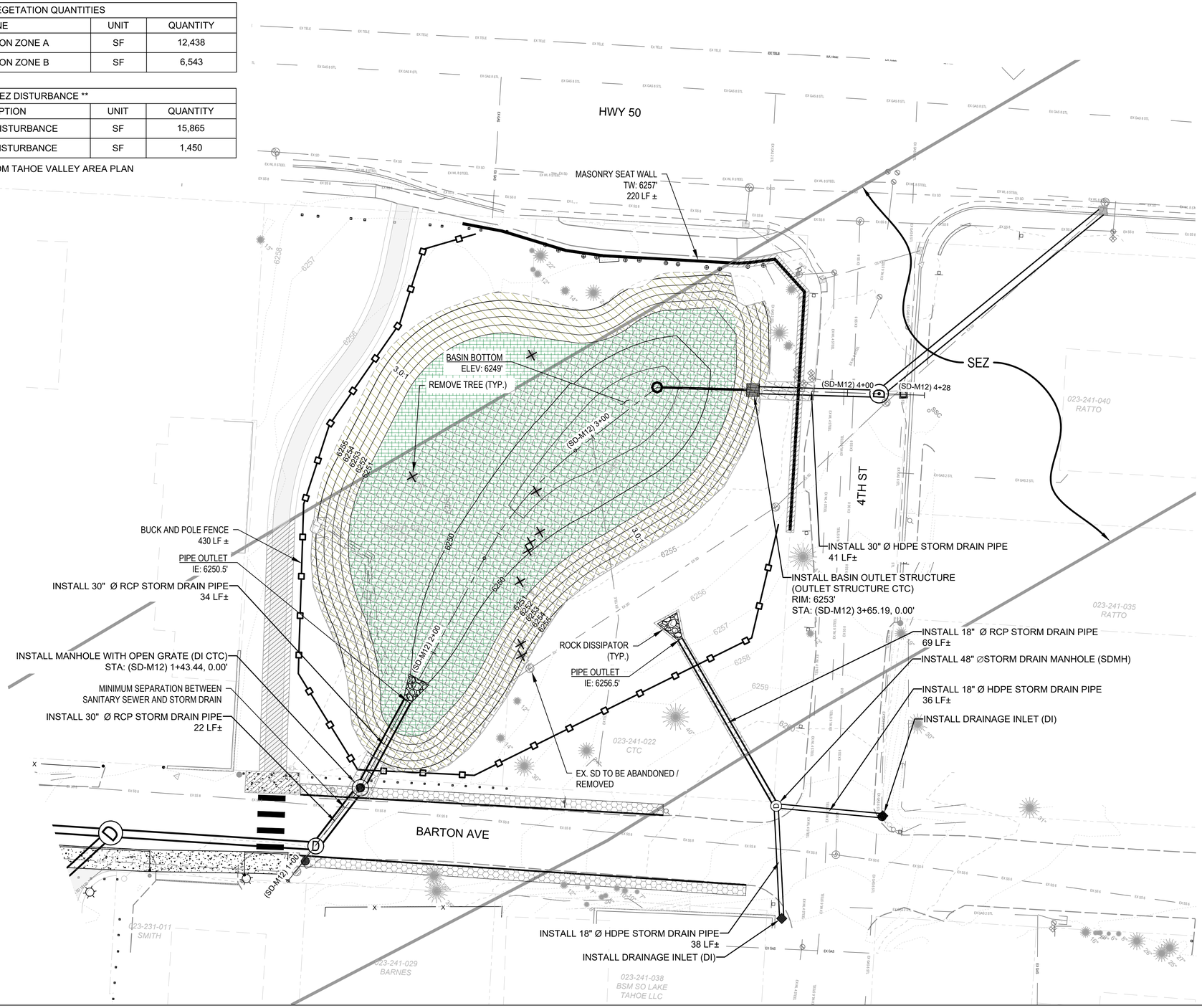
** CALL BEFORE YOU DIG **
CONTACT UNDERGROUND SERVICE ALERT (USA)
1-800-227-2600
PRIOR TO ANY CONSTRUCTION WORK

TREE REMOVAL TABLE		
ITEM	UNIT	TOTAL QUANTITY
REMOVE TREE (< 10")	EA	10
REMOVE TREE (10" - 18")	EA	6

REVEGETATION QUANTITIES			
KEY	ZONE	UNIT	QUANTITY
	REVEGETATION ZONE A	SF	12,438
	REVEGETATION ZONE B	SF	6,543

SEZ DISTURBANCE **			
KEY	DESCRIPTION	UNIT	QUANTITY
	TEMPORARY DISTURBANCE	SF	15,865
	PERMANENT DISTURBANCE	SF	1,450

** BASIS OF BOUNDARY LINES FROM TAHOE VALLEY AREA PLAN



0 20 40
HORIZONTAL SCALE: 1" = 20'

PRELIMINARY - NOT FOR CONSTRUCTION

Stantec
295 HIGHWAY 50
ZEPHYR COVE, NV
89448
Tel. 775 339 3324
www.stantec.com

BARTON & 4TH ST STORM DRAINAGE
TVGS IMPROVEMENT PROJECT PHASE II
CITY OF SOUTH LAKE TAHOE
SOUTH LAKE TAHOE, CA

#	DATE	DESCRIPTION	BY

DATE	MARCH 2023
DRAWN	IT
DESIGNED	IT / JD
CHECKED	
PROJECT #	
SHEET TITLE	EXHIBIT
SHEET NUMBER	1

Plot Stamp: 3/15/2023 9:06:47 AM - Trujillo, Ivan
File: U:\237800401\07_historical\15 CAD\Phase 2\1 DWG\3 Sheetset Sheets\TVGS_PLAN-PROFILE_GREENBELT-SD_CTC PARCEL.dwg, Tab: C-5

LICENSE NO. 2022-0214-LT-279

Tahoe Valley Stormwater and Greenbelt Improvement Project

THIS LICENSE AGREEMENT ("Agreement") is made on this 5th day of April, 2022, by and between the California Tahoe Conservancy, hereinafter called "Licensor," and the City of South Lake Tahoe, hereinafter called "Licensee";

W I T N E S S E T H:

1. License.

Subject to the provisions hereof, Licensor hereby grants to Licensee a license ("License") for:

> Access onto and through, and construction within, portions of El Dorado County Assessment Numbers: 023-211-010; 023-211-044; 023-231-003; 023-231-010; 023-231-012; 023-381-001; 023-381-010; 023-430-040; 023-681-001; 032-141-002; 032-141-003; 032-152-020; 032-278-021; 032-278-022; 032-278-023; 023-241-023 and 032-278-024 ("License Area"), for the purpose of conducting surveys, construction and maintaining the Tahoe Valley Stormwater and Greenbelt Improvement Project ("Project"), which includes constructing and maintaining the improvements described in **Exhibit A** ("Improvements") and as depicted in **Exhibit B**, and all activities and incidental activities related to the Project and the maintenance of the Improvements. Access for construction of the Improvements and access for construction of the Project is limited to the License Area.
>
> Licensee may use necessary heavy equipment to dig, construct, backfill, and may use all equipment necessary to construct and maintain the Improvements. During construction of the Improvements, Licensee will enclose the portions of the License Area to be used with construction fencing and utilize appropriate Best Management Practices (BMPs) required for any permits associated with the Project. Licensee may utilize all equipment as reasonably necessary to complete the Project to access the License Area.

Licensee's right to access and use the License Area is nonexclusive, and Licensor and the public shall have the right to enter and use the License Area for any purpose that will not unreasonably interfere with the rights granted to Licensee under this Agreement. Licensee shall use the least restrictive practices available during construction or maintenance activities to mimize impacts on public access to the License Area.

2. Adherence to the Terms of Relevant Grant Agreements.

The terms of this Agreement shall, at all times, be carried out in accordance with all terms of any and all grant agreements and subsequent amendments to such grant agreements entered into by Licensee for any and all projects or other actions to be taken on the parcels listed above that are included in the License Area. In the event of any inconsistency between the terms of such a grant and this Agreement, the terms of a grant shall control.

3. Term.

The term ("Term") of this Agreement shall be 25 years, commencing on the date of execution of this Agreement, unless terminated earlier by mutual agreement in writing by all parties to this Agreement or due to breach of the requirements of this Agreement. During the Term, Licensee shall have the right to construct the Project and Improvements, and following completion of construction of the Improvements, Licensee shall be obligated to maintain the Improvements until the end of the Term and pursuant to the terms of any and all grant agreements. The parties may extend the Term by mutual agreement in writing.

4. Access.

Licensor agrees that for the duration of this Agreement, subject to all of the conditions and terms hereof, any employee or agent of Licensee or duly authorized contractor performing construction pursuant to the Improvements may enter upon and use the License Area for the purposes set forth herein.

5. Conditions Precedent to Construction.

In addition to any other conditions contained herein, Licensee shall not begin constructing Improvements within the License Area until Licensee has completed all conditions precendent set forth herein and until Licensee has received all required permits and received required approvals, and Licensor's Executive Director or designee has approved commencement of contruction in writing.

Prior to construction, Licensee shall provide notice as set forth in Section 6, "Public Notice," below.

6. Public Notice.

Licensee shall provide reasonable notice to the public of the Project purpose, duration, and limitations of public access. If reasonable public access is inhibited by activies under this License, Licensee shall post signs showing alternate access routes to recreational areas, if applicable. If alternative access routes are unavailable, Licensee shall provide reasonable notice to the public of the duration of limitations to public access. Licensee shall provide the public with a method for communicating comments or questions to Licensee, and Licensee shall reasonably respond to all public inquiries regarding the Improvements and the Project for five (5) years from the date of execution of this Agreement.

7. License Fee.

There is no fee required to be paid to Licensor for Licensee's use of the License Area. Licensor has chosen to waive any fee due to water quality and public health and safety benefits of the Improvements.

8. Expenses of Licensee.

Licensee shall bear the sole risk and pay all costs and expenses of whatever kind and nature which arise from this License, including, without limitation, expenses to reconstruct, repair, and restore the License Area to the same or better condition it was in prior to its use by Licensee, as required by Section 14(B) below.

If Licensor shall have made payments on behalf of Licensee for any costs or expenses incurred herein, Licensee shall reimburse Licensor within ten (10) days from the date such costs or expenses were incurred. Licensor shall have a lien on any Licensee-owned property on Licensor's property as security for repayment of said amount.

9. Maintenance of Improvements.

Licensee shall be obligated to operate and maintain the Improvements constructed within the License Area through the Term of this Agreement pursuant to Section three (3). Where additional improvements are constructed pursuant to a project funded in whole or in part by Licensor under a grant agreeement provided by Licensor, such improvements shall be operated and maintained in a manner consistent with the terms and provisions of such grant agreement. Unimproved parcels utilized for staging shall be fully restored to natural conditions immediately following construction of the Project and Improvements. Licensor may be excused from its maintenance of the Improvements only upon the written approval of the Executive Director or designee for good cause. "Good cause" includes, but is not limited to, natural disasters which destroy the Improvements and render the Project obsolete or impracticable to rebuild.

10. Qualifications on Use.

Licensee shall neither use nor permit any use of the License Area for any purpose other than that set forth in Section 1 hereof. Licensee will exercise due diligence to not cause any damage while using the License Area and will ensure prompt notification to the Licensor's Executive Director or designee, if any damage occurs.

Licensee shall not do or suffer to be done in or upon said License Area any act or thing which is or may be a nuisance. Licensee shall not use or knowingly permit others to use the License Area for any unlawful purposes. In the event Licensor determines that Licensee's use of the License Area is causing damage to the License Area, Licensee agrees to take corrective measures to eliminate further damage. If any damage is caused to the License Area, Licensee agrees to promptly repair or pay the full replacement value of such damaged property to Licensor, at Licensor's discretion.

This License does not confer upon Licensee any drilling rights or any water or mineral rights or the right to extract or remove any timber existing on the License Area or any water or minerals of any kind or character, including without limitation oil, natural gas, hydrocarbon substances, geothermal steam, or minerals in solution. Unless authorized in writing by Licensor, Licensee shall not destroy, cut, or remove any timber, trees, or firewood standing or lying thereon, or permit others to commit any of said acts on the License Area.

The License Area shall not be used for displaying signs and notices other than those connected with the use of the License Area contemplated by this License.

Licensee shall, at its expense and to the satisfaction of Licensor, keep and maintain the License Area in good order and repair and in a neat and safe condition. If Licensee shall fail to perform its obligations under this section, Licensor may take action so as to keep and maintain the License Area in good order and repair and in a neat and safe condition and Licensee shall reimburse Licensor for all costs associated with such action pursuant to Section 14 of this Agreement.

11. Prior Encumberances.

Licensor makes no representations or warranties concerning the condition of the License Area. This License is subject to all easements, leases, liens, conditions, restrictions, encumbrances, and claims of title which may affect the License Area. Licensee accepts the License Area (including, without limitation, Licensor-owned improvements, if any) in their present condition and without any representation or warranty by Licensor as to the condition of such License Area or improvements, and Licensor shall not be responsible for any defect or change of conditions in the License Area or such improvements, any damage occurring thereto, or for the existence of any violation of any municipal, county, State, bi-state, or federal law, order, rule, regulation, or ordinance.

12. Fees and Assessments.

Licensee shall pay, before they become delinquent, all charges, fees, taxes, and assessments imposed on the License Area by reason of this Agreement. If Licensor makes payments on behalf of Licensee for any charges, fees, taxes, or assessments incurred herein, Licensee shall reimburse Licensor within thirty (30) days from the date Licensor provides notice to Licensee of such costs or expenses.

Licensor has the right to post notices of non-responsibility upon the License Area, and to otherwise notify, actually or constructively, any entity or persons supplying services or materials to the License Area that Licensor is not responsible for the cost thereof. Licensee covenants and agrees to keep the License Area free from any mechanic's or materialmen's liens claimed by any person, firm, or corporation employed by or on behalf of Licensee for any work or services performed under this Agreement. In the event of the filing of any such liens, Licensee shall cause such lien to be released within five (5) days after Licensor's written notice to do so. Licensee shall indemnify and defend Licensor and the State of California against any and all liability, cost, and expense including attorney's fees incurred by Licensor or the State of California as a result of any such lien.

13. Permits.

Licensee shall obtain at its expense all necessary permits and approvals for the use of the License Area. In the event Licensee has not obtained all permits necessary, this License may be

terminated by either party. Licensee shall adhere to the terms of all permits and approvals applicable to the Improvements and the Project.

Licensee shall seek all permits, licenses, and/or approvals applicable to the repair and operation of the facility as contemplated by this Agreement including, but not limited to, building and/or use permits required by any public body having jurisdiction over the Property.

14. Indemnification and Insurance.

A. General.

Licensee agrees to release, hold harmless, indemnify, and defend (with counsel approved by Licensor) Licensor from and against all liability, cost, and expense (including, without limitation, attorney's fees, in addition to costs of suit and judgment) for loss of or damage to any property or loss of the use thereof or for injury to or death of any person when arising or resulting from:

(a) the use of the License Area or adjacent property by Licensee, and any agent, licensee, contractor, subcontractor, partner, or any other authorized representative of Licensee (other than an agent, employee, or invitee of Licensor); or

(b) Licensee's breach of any provision of this License, whether or not caused or contributed to by the negligence, active or passive or otherwise, of Licensor, its employees, agents, invitees, or any other person.

B. Environmental Impairment.

Licensee, at its expense, shall comply with all applicable laws, regulations, rules, and orders with respect to the use of the License Area, regardless of when they become or became effective, including, without limitation, those relating to health, safety, noise, environmental protection, waste disposal, and water and air quality, and furnish satisfactory evidence of such compliance upon request of Licensor.

Licensor shall obtain and comply with the terms and provisions of all licenses, permits, and approvals required by any local, regional, State, bi-state, or federal organization with authority to regulate the activities of Licensee under this License.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the License Area due to Licensee's use and occupancy thereof, Licensee, at its expense, shall be obligated to clean all the property affected thereby, whether owned or controlled by Licensor or any third person, to the satisfaction of Licensor (insofar as the property owned or controlled by Licensor is concerned) and any governmental body having jurisdiction thereover.

Licensee shall indemnify, hold harmless, and defend Licensor against all liability, cost and expense (including, without limitation, any fines, penalties, judgments, litigation costs, and attorney's fees) incurred by Licensor as a result of Licensee's breach of this section, or as a result of any such discharge, leakage, spillage, emission, or pollution, regardless of whether such

liability, cost, or expense arises during or after the License term, unless such liability, cost, or expense is proximately caused solely by the active negligence of Licensor.

Licensee shall pay all amounts due hereunder within thirty (30) days after any such amounts become due.

C. Insurance.

In the event that Licensee enters into an agreement or agreements with independent contractors or other third parties other than agencies of the State of California authorizing such parties to enter onto the License Area, such agreement(s) shall require that Licensee's contractor(s) maintain general liability insurance in an amount of one million dollars ($1,000,000) or such other lesser amount as shall be reasonably approved by Licensor. In addition, Licensee shall make reasonable efforts to ensure that Licensor, and its officers, officials, employees, and volunteers, are included as additional insureds under the insurance required above and that a copy of the endorsements or certificate naming them as additional insureds is furnished to Licensor as soon as is practicable. In the event the contractor or third party is unable to name Licensor as an additional named insured, Licensee shall so notify Licensor. Within five (5) working days thereafter, Licensor shall notify Licensee whether Licensee may proceed with authorizing the contractor to enter upon the License Area.

The company or companies providing such insurance shall have no recourse against Licensor and the State of California, and their members, officers and employees, or any of them, for payment of any premiums or assessments under such insurance. Licensor shall also be provided with notice of any proposed cancellation of insurance.

15. Termination or Expiration.

A. General.

Termination, revocation, or expiration of this License shall not release either party from liability resulting from an event which occurred prior to such termination, revocation, or expiration.

B. Surrender of License Area.

Upon completion of construction of the Improvements, Licensee shall discontinue the use of the License Area for construction purposes and, within sixty (60) days, shall remove all personal property of Licensee, including all construction equipment, vehicles, and machinery, from the License Area. Upon completion of construction of the Project and Improvements, Licensee shall restore the unimproved portions of the License Area as nearly as possible to the condition in which they existed at the time of Licensee's initial entry onto the License Area pursuant to this Agreement. If the Licensee and Licensor do not extend Licensee's right to use the License Area before the expiration of the term of this License as set forth in Section 3, Licensee's right to use the License Area for maintenance of the Improvements shall cease immediately.

Property of Licensee not removed from the License Area within sixty (60) days after the termination, revocation, or expiration of this License shall become the property of the Licensor. Licensee agrees to reimburse Licensor for the cost and expense incurred by Licensor in restoration of the License Area and disposing of said property of Licensee not so removed. If Licensee fails to surrender possession of the License Area upon termination or revocation of this License, Licensor shall have the right, to the extent permitted by law, to re-enter the License Area and remove Licensee and any person or entity claiming through Licensee from the License Area.

C. Quitclaim of Rights.

In the event that Licensee obtains any form of property rights, as a result of this License, whether land, water, mineral, or otherwise, upon expiration or abandonment of the License Area by Licensee, Licensee shall, within thirty (30) days after demand from Licensor to do so, execute and deliver, in recordable form, a quit claim deed conveying any and all rights which may have been obtained by Licensee.

16. Default.

Licensee shall be in default under this License if Licensee fails or refuses to perform any other covenant or condition of this License.

If Licensee fails to cure a default within thirty (30) days after notice from Licensor to do so, Licensor shall have the right, without further notice and in addition to any other remedies Licensor may have at law or equity, to revoke this License forthwith and to retake possession of the License Area. If, however, the default is one that cannot reasonably be cured within 30 days, then the parties will meet and confer on a timeline for cure and Licensor will not revoke the License so long as Licensee continues to diligently pursue a cure in a good faith effor to meet the mutually agreeable timeline for cure.

17. Nonwaiver.

Licensor's failure to enforce or exercise its rights under any term, condition, or covenant of this License shall not be construed as a waiver of such rights or such term, condition, or covenant.

18. Attorney's Fees.

If either party takes any steps or brings an action to compel performance of or to recover for breach of any term of this License, the losing party shall pay reasonable attorney's fees of the prevailing party, in addition to the amount of judgment and costs.

19. Notices.

Any notices, demands, or statements herein requested or required to be given by one party to the other shall be in writing. Delivery of such written notice, demand or statement shall be conclusively taken as sufficient if and when delivered in person or deposited in the United States

mail, registered or certified, postage fully prepaid, addressed, if to Licensor at 1061 Third Street, South Lake Tahoe, CA 96150, and, if to Licensee, to the City Manager, 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150, with a copy to the City Attorney at the same address. Either party hereto may by written notice change the address to which such notices, demands, or statements may be sent. All payments from Licensee to Licensor shall be made to Licensor at Licensor's address for notices unless Licensor gives Licensee notice of another address for making payments. Licensor may change by written notice the address where payments to Licensor shall be made.

20. Time is of the Essence of this License.

Time is of the essence of this License.

21. Entire Agreement.

The contents of this License are the entire agreement between the parties, relating to the rights granted and the obligations assumed herein. Any oral representations or modifications of this Agreement shall be of no force and effect unless embodied in a subsequent modification in writing signed by the party to be charged.

22. Modification.

This License shall not be modified except by the written agreement of the parties.

23. Licensor and Licensee.

The terms "Licensor" and "Licensee" as used in this License includes each party's members(s), officer(s), contractor(s), agent(s), or employee(s), and the successors and assigns of any of them.

24. No Third Party Beneficiaries.

Nothing in this License is intended to create in the public or any member thereof rights as a third party beneficiary hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate as of the day and year first herein written.

CALIFORNIA TAHOE CONSERVANCY

LICENSOR

By: Michael Steeves (Apr 12, 2022 09:33 PDT) Apr 12, 2022

Michael Steeves
General Counsel
1061 Third Street
South Lake Tahoe, CA 96150
(530) 542-5580
Michael.steeves@tahoe.ca.gov

California Tahoe Conservancy Contact:
Scott Cecchi
(530) 208-8323
scott.cecchi@tahoe.ca.gov

CITY OF SOUTH LAKE TAHOE

LICENSEE

By: Devin Middlebrook (Apr 6, 2022 18:12 PDT)

Devin Middlebrook
Mayor
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
(530) 208-8199
dmiddlebrook@cityofslt.us

Approved as to form:

Heather Stroud (Apr 6, 2022 16:28 PDT)

Heather Stroud, City Attorney

Attest Mayor's signature:

By: Sue Blankenship (Apr 6, 2022 14:19 PDT) Apr 6, 2022

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe Council.

EXHIBIT A

James/Eloise Project Area (north of US50)

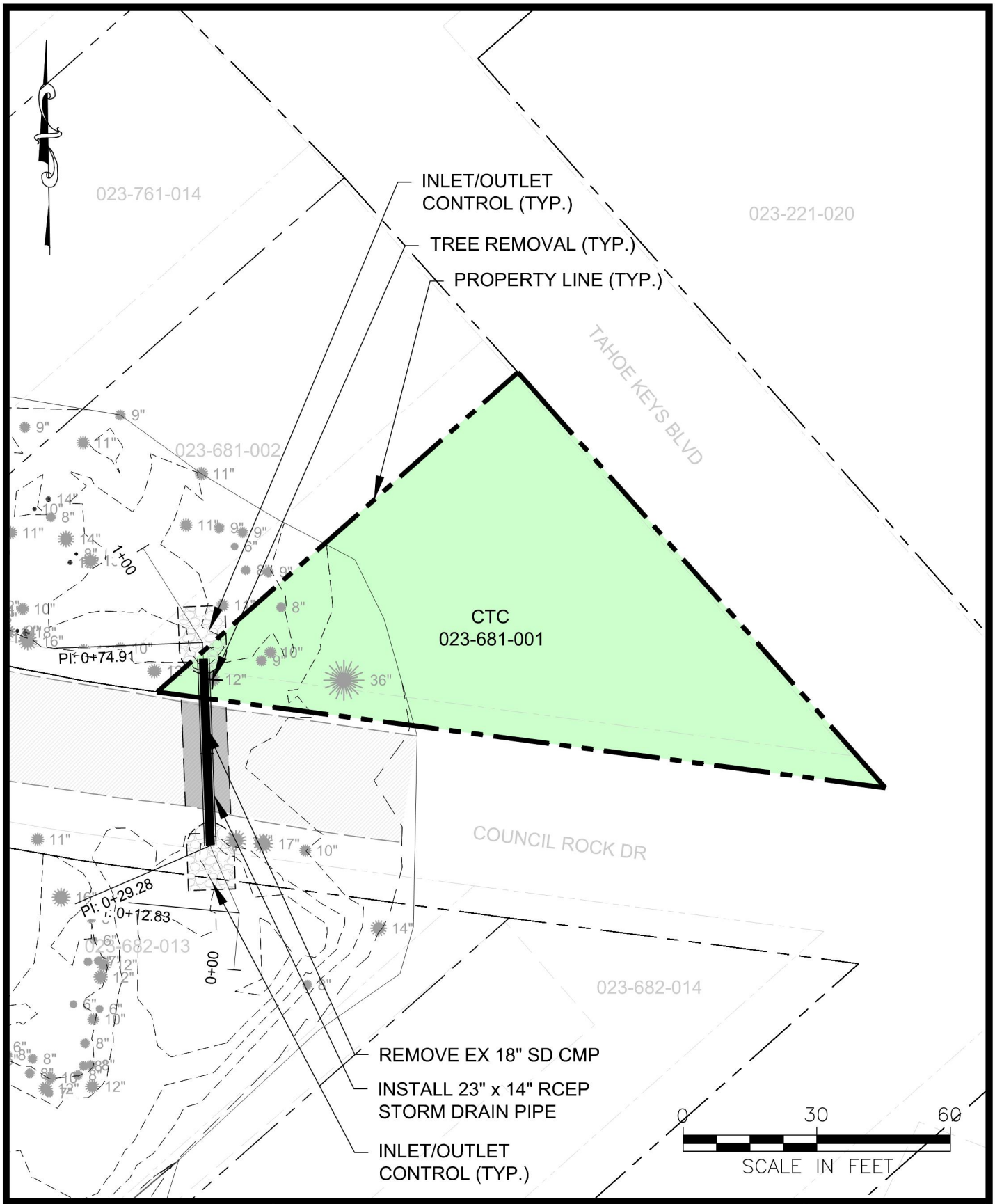
Parcel	Address	Proposed Improvements
023-681-001	969 Council Rock Road	[**Exhibit B-1**] Stormwater roadway culvert, and pipe outlet rock apron/dissipater and channel facilities
023-211-010	2208 Eloise Avenue	[**Exhibit B-2**] Stormwater vegetated channel, and stormwater roadway culvert and pipe outlet rock apron/dissipater and channel facilities
023-211-044	2193 James Avenue	[**Exhibit B-2**] Stormwater channel retrofit, and connectivity to proposed vegetated swale (*Note: existing Caltrans stormwater infiltration gallery from US 50 storm drain system is located on parcel*)

Greenbelt Project Area (central)

023-241-023	2122 Lake Tahoe Blvd.	[**Exhibit B-3**] Multi-use paved trail connector (Greenbelt entry trail); stormwater open space surface conveyance/treatment area; existing stormwater pipeline retrofit/replacement
023-231-010	2113 Helen Avenue	[**Exhibit B-4**] Stormwater treatment basin and riparian SEZ enhancement, and stormwater pipelines; multi-use paved trail, pedestrian lighting, Greenbelt open space, and recreational trail amenities/site furnishings
023-231-012	2108 Barton Avenue	[**Exhibit B-4**] Stormwater treatment basin and riparian SEZ enhancement, stormwater pipelines and basin outlet structure facilities; multi-use paved trail, pedestrian lighting, Greenbelt open space, and recreational trail amenities/site furnishings
023-381-010	2086 Helen Avenue	[**Exhibit B-5**] Stormwater treatment basin and riparian SEZ enhancement; multi-use paved trail, elevated boardwalk, pedestrian lighting, Greenbelt open space, and recreational trail amenities/site furnishings
023-381-001	N/A – (Helen Avenue)	[**Exhibit B-6**] Stormwater treatment basin and riparian SEZ enhancement; multi-use paved trail, and Greenbelt open space
023-231-003	2070 Lake Tahoe Boulevard	[**Exhibit B-6**] Stormwater treatment basin and riparian SEZ enhancement; multi-use paved trail, and Greenbelt open space
023-430-040	N/A – (B Street)	[**Exhibit B-7**] Stormwater treatment basin, stormwater channel retrofit, and riparian SEZ enhancement; native soil/DG walking trails, footbridge structure, and Greenbelt open space

Bonanza Project Area (west of US50 / SR89)

032-141-002	1100 Emerald Bay Road	[**Exhibit B-8**] Stormwater treatment basin; stormwater inlet/sediment trap, pipeline and pipe outlet rock apron/dissipater, and basin outlet structure facilities; and wood buck/pole barrier fencing
032-141-003	1120 Emerald Bay Road	[**Exhibit B-8**] Stormwater treatment basin
032-152-020	1234 Bonanza Avenue	[**Exhibit B-9**] Stormwater treatment basin; stormwater pipeline and pipe outlet rock apron/dissipater, and basin outlet structure facilities; and wood buck/pole barrier fencing
032-278-021	1177 Margaret Avenue	[**Exhibit B-10**] Stormwater treatment basin; stormwater inlet, pipeline and pipe outlet rock apron/dissipater facilities; and wood buck/pole barrier fencing
032-278-022	1881 D Street	[**Exhibit B-10**] Stormwater treatment basin; and wood buck/pole barrier fencing
032-278-023	1885 D Street	[**Exhibit B-10**] Stormwater treatment basin; and wood buck/pole barrier fencing
032-278-024	1889 D Street	[**Exhibit B-10**] Stormwater treatment basin; pipeline and pipe outlet rock apron/dissipater, and basin outlet structure facilities; and wood buck/pole barrier fencing



Cardno

RENO
5496 RENO CORPORATE DRIVE
RENO, NV 89511
TEL: (775) 828-4362 FAX: (775) 851-8046
WWW.CARDNO.COM

LICENSE AGREEMENT

TAHOE VALLEY STORMWATER AND GREENBELT IMPROVEMENT PROJECT

APN: 023-681-001

CTC PROPERTY BOUNDARY

EL DORADO COUNTY CALIFORNIA

Date: 11/2021

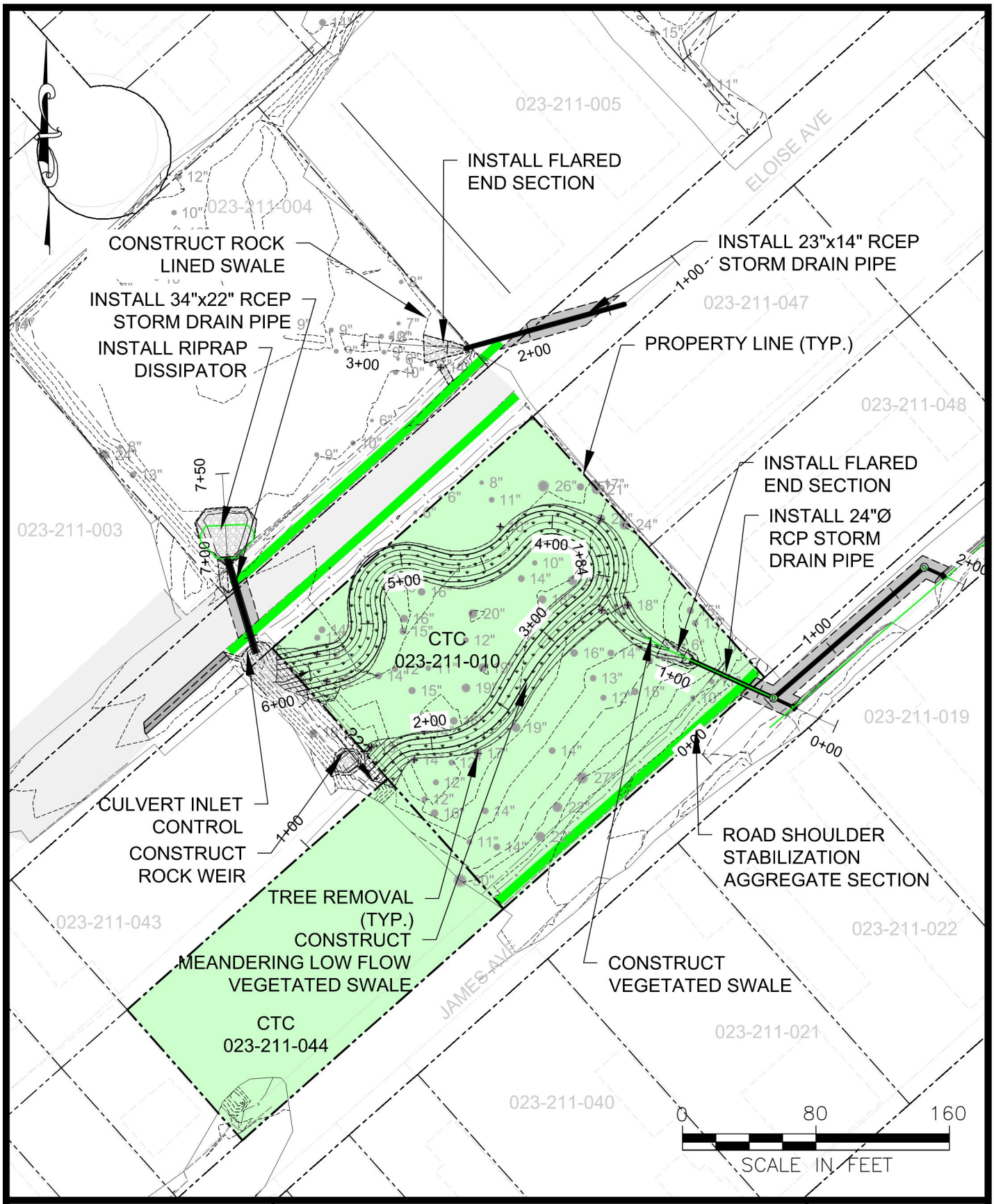
Scale: 1"=30'

EXHIBIT

B-1

JobNo: 5320400000

C-041-2022



Cardno

RENO
5496 RENO CORPORATE DRIVE
RENO, NV 89511
TEL: (775) 828-4362 FAX: (775) 851-8046
WWW.CARDNO.COM

LICENSE AGREEMENT
TAHOE VALLEY STORMWATER AND GREENBELT IMPROVEMENT PROJECT
APN: 023-211-010 & 023-211-044

CTC PROPERTY BOUNDARY

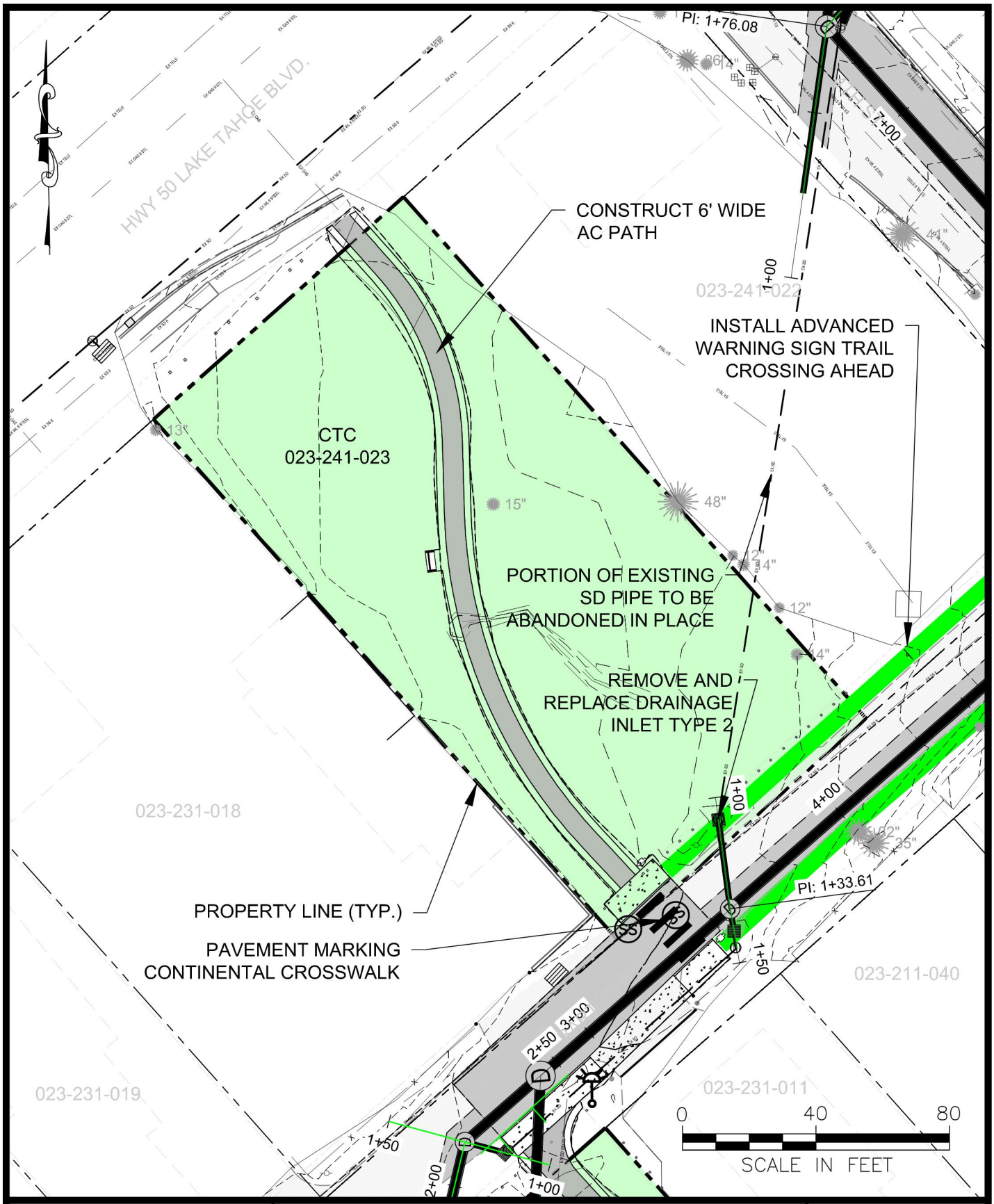
EL DORADO COUNTY CALIFORNIA

Date: 11/2021
Scale: 1"=80'

EXHIBIT
B-2

Job No. 5320400000

C-041-2022



Cardno

RENO
5496 RENO CORPORATE DRIVE
RENO, NV 89511
TEL: (775) 828-4362 FAX: (775) 851-8046
WWW.CARDNO.COM

LICENSE AGREEMENT
TAHOE VALLEY STORMWATER AND GREENBELT IMPROVEMENT PROJECT
APN: 023-241-023

CTC PROPERTY BOUNDARY

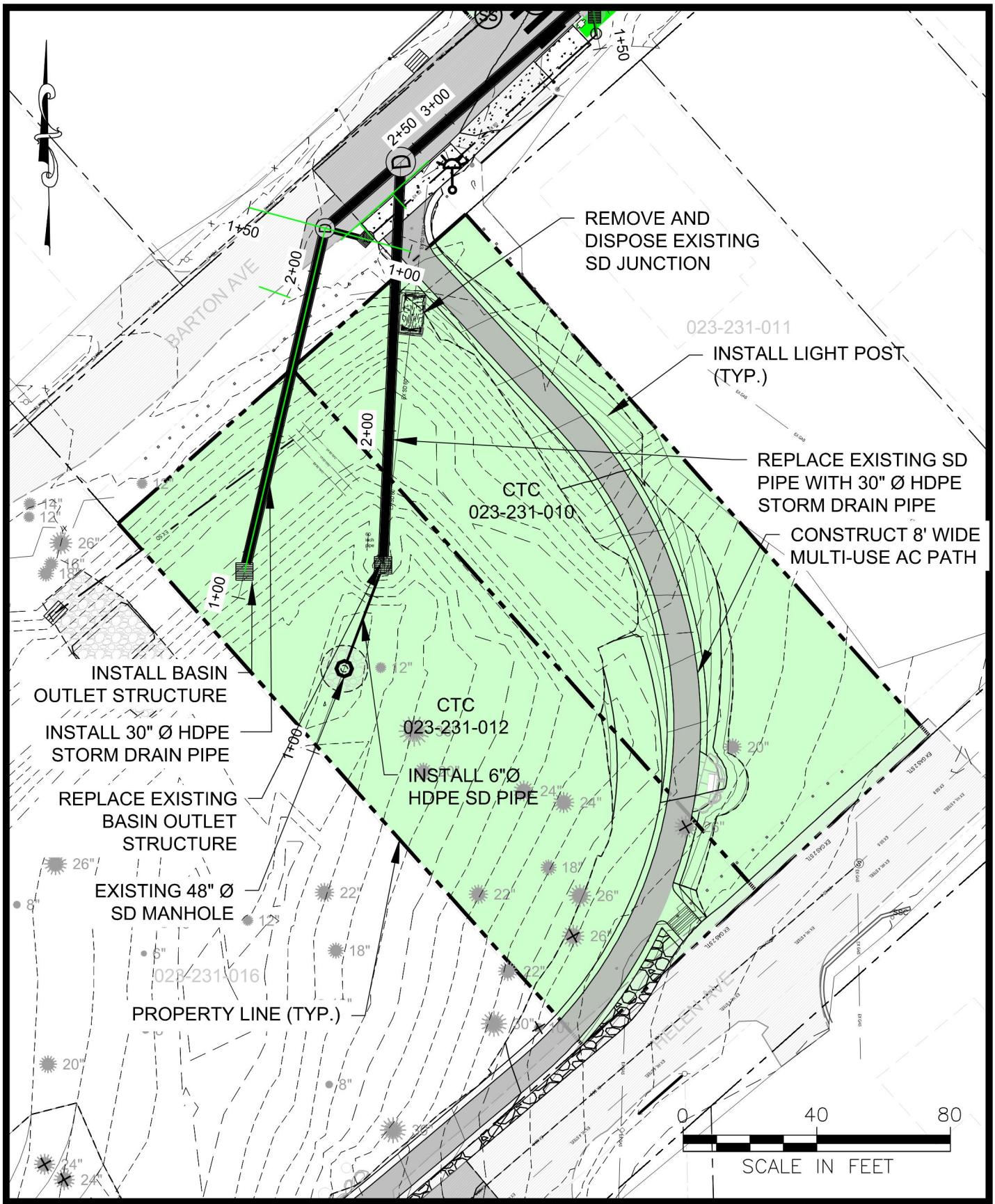
EL DORADO COUNTY CALIFORNIA

Date: 11/2021
Scale: 1"=40'

EXHIBIT
B-3

Job No: 5320400000

C-041-2022



Cardno

RENO
5496 RENO CORPORATE DRIVE
RENO, NV 89511
TEL: (775) 828-4362 FAX: (775) 851-8046
WWW.CARDNO.COM

LICENSE AGREEMENT

TAHOE VALLEY STORMWATER AND GREENBELT IMPROVEMENT PROJECT

APN: 023-231-010 & 023-231-012

CTC PROPERTY BOUNDARY

EL DORADO COUNTY CALIFORNIA

Date: 11/2021

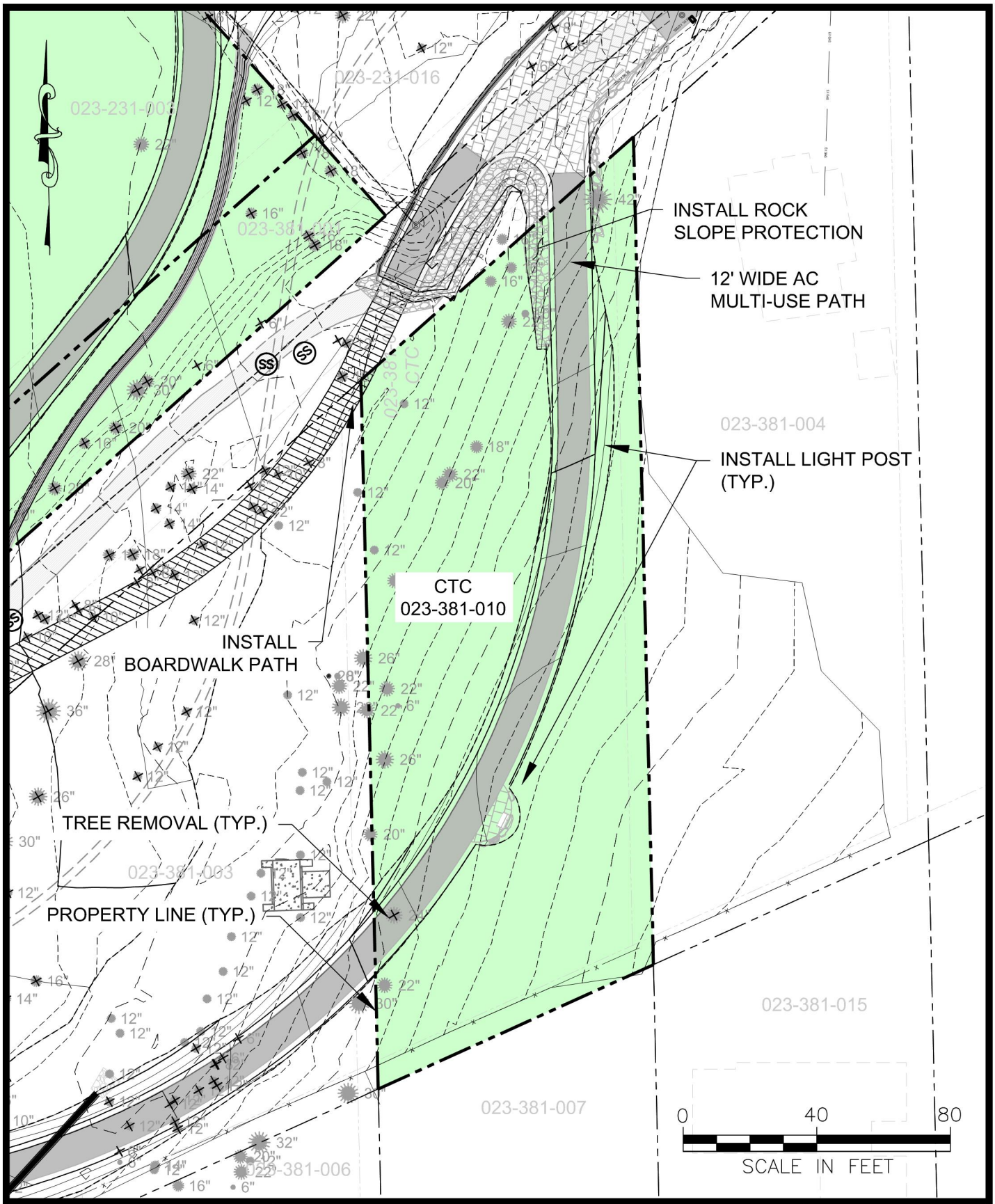
Scale: 1"=40'

EXHIBIT

B-4

Job No: 52040000000

C 041 2022



Cardno

RENO
5496 RENO CORPORATE DRIVE
RENO, NV 89511
TEL: (775) 828-4362 FAX: (775) 851-8046
WWW.CARDNO.COM

LICENSE AGREEMENT
TAHOE VALLEY STORMWATER AND GREENBELT
IMPROVEMENT PROJECT
APN: 023-381-010

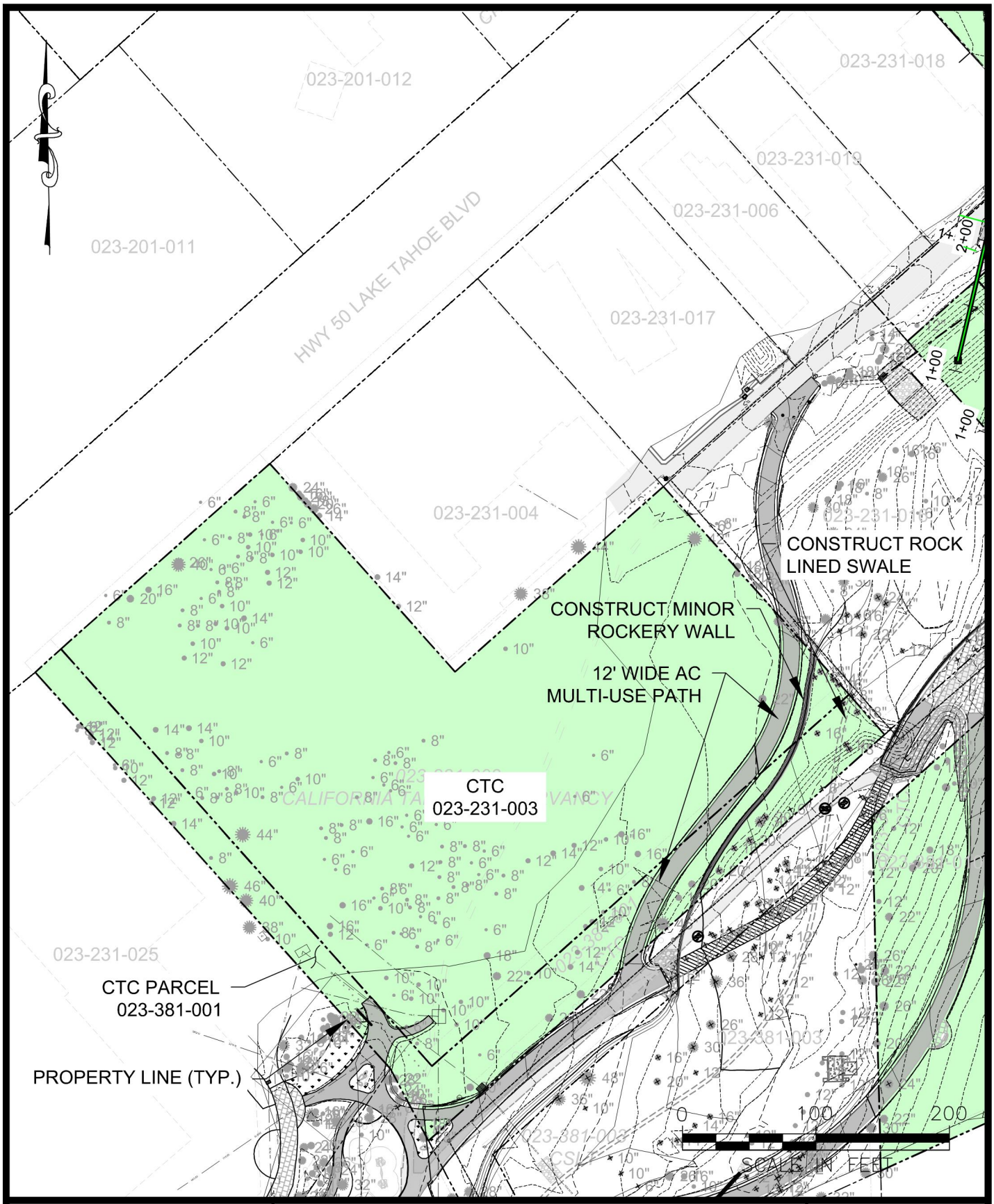
CTC PROPERTY BOUNDARY

EL DORADO COUNTY CALIFORNIA

Date: 11/2021
Scale: 1"=40'

EXHIBIT
B-5

C-041-2022



Cardno

RENO
5496 RENO CORPORATE DRIVE
RENO, NV 89511
TEL: (775) 828-4362 FAX: (775) 851-8046
WWW.CARDNO.COM

LICENSE AGREEMENT

TAHOE VALLEY STORMWATER AND GREENBELT IMPROVEMENT PROJECT

APN: 023-381-001 & 023-231-003

CTC PROPERTY BOUNDARY

EL DORADO COUNTY CALIFORNIA

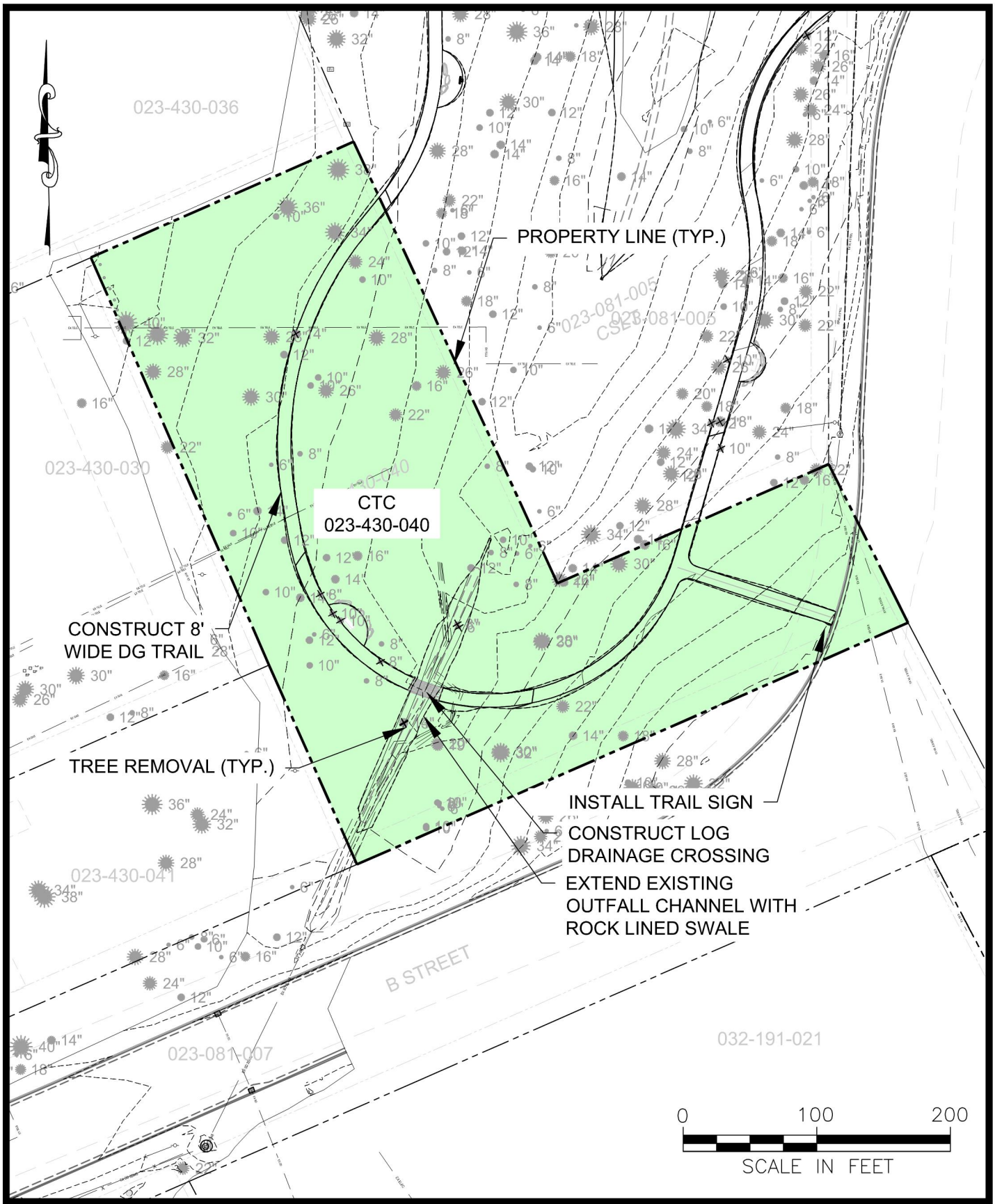
Date: 11/2021

Scale: 1"=100'

EXHIBIT

B-6

Job No: 5320400000



Cardno

RENO
5496 RENO CORPORATE DRIVE
RENO, NV 89511
TEL: (775) 828-4362 FAX: (775) 851-8046
WWW.CARDNO.COM

LICENSE AGREEMENT
TAHOE VALLEY STORMWATER AND GREENBELT
IMPROVEMENT PROJECT
APN: 023-430-040

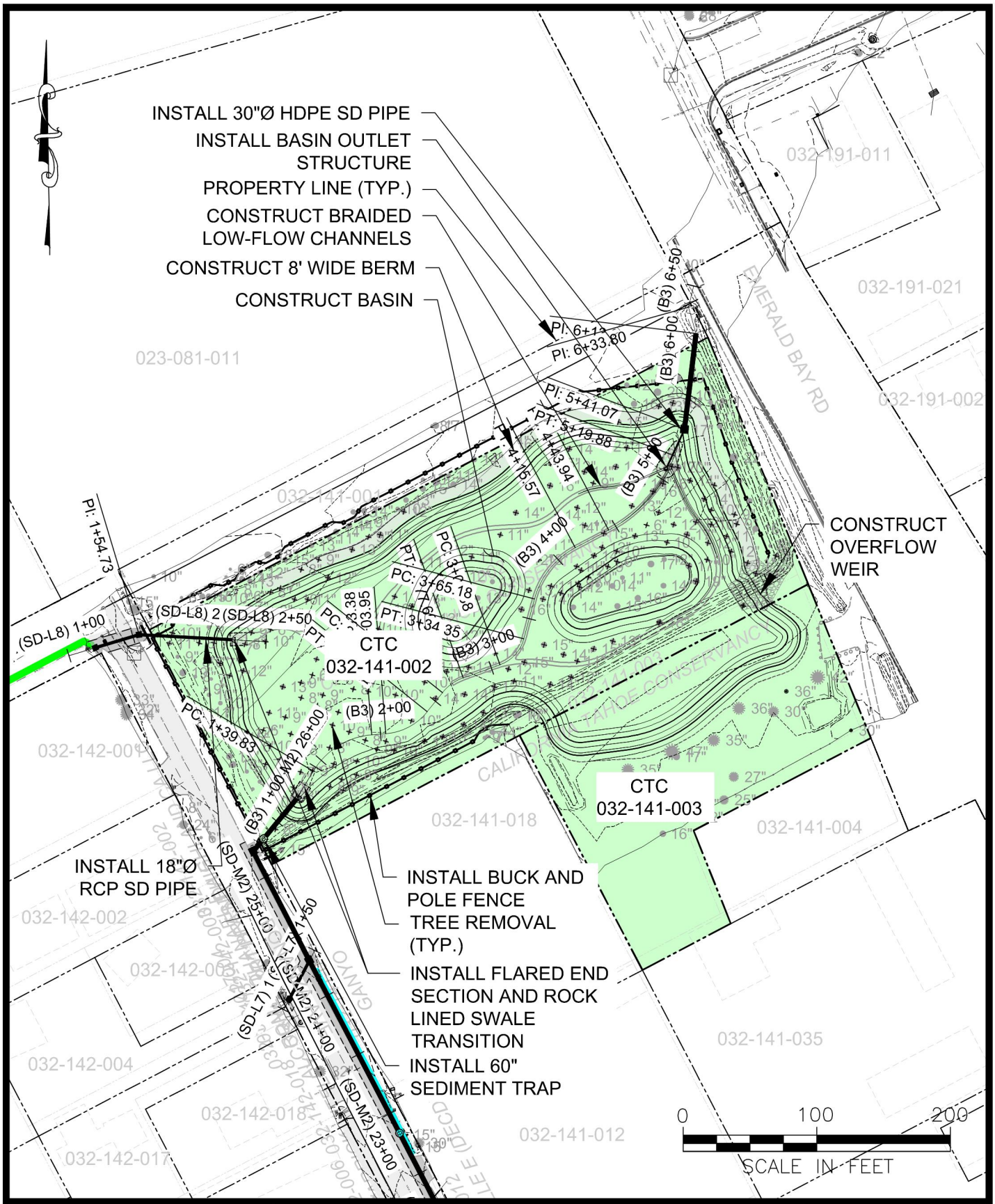
CTC PROPERTY BOUNDARY

EL DORADO COUNTY CALIFORNIA

Date: 11/2021
Scale: 1"=100'

EXHIBIT
B-7

Job No: 5320400000



Cardno

RENO
5496 RENO CORPORATE DRIVE
RENO, NV 89511
TEL: (775) 828-4362 FAX: (775) 851-8046
WWW.CARDNO.COM

LICENSE AGREEMENT
TAHOE VALLEY STORMWATER AND GREENBELT IMPROVEMENT PROJECT
APN: 032-141-002 & 032-141-003

CTC PROPERTY BOUNDARY

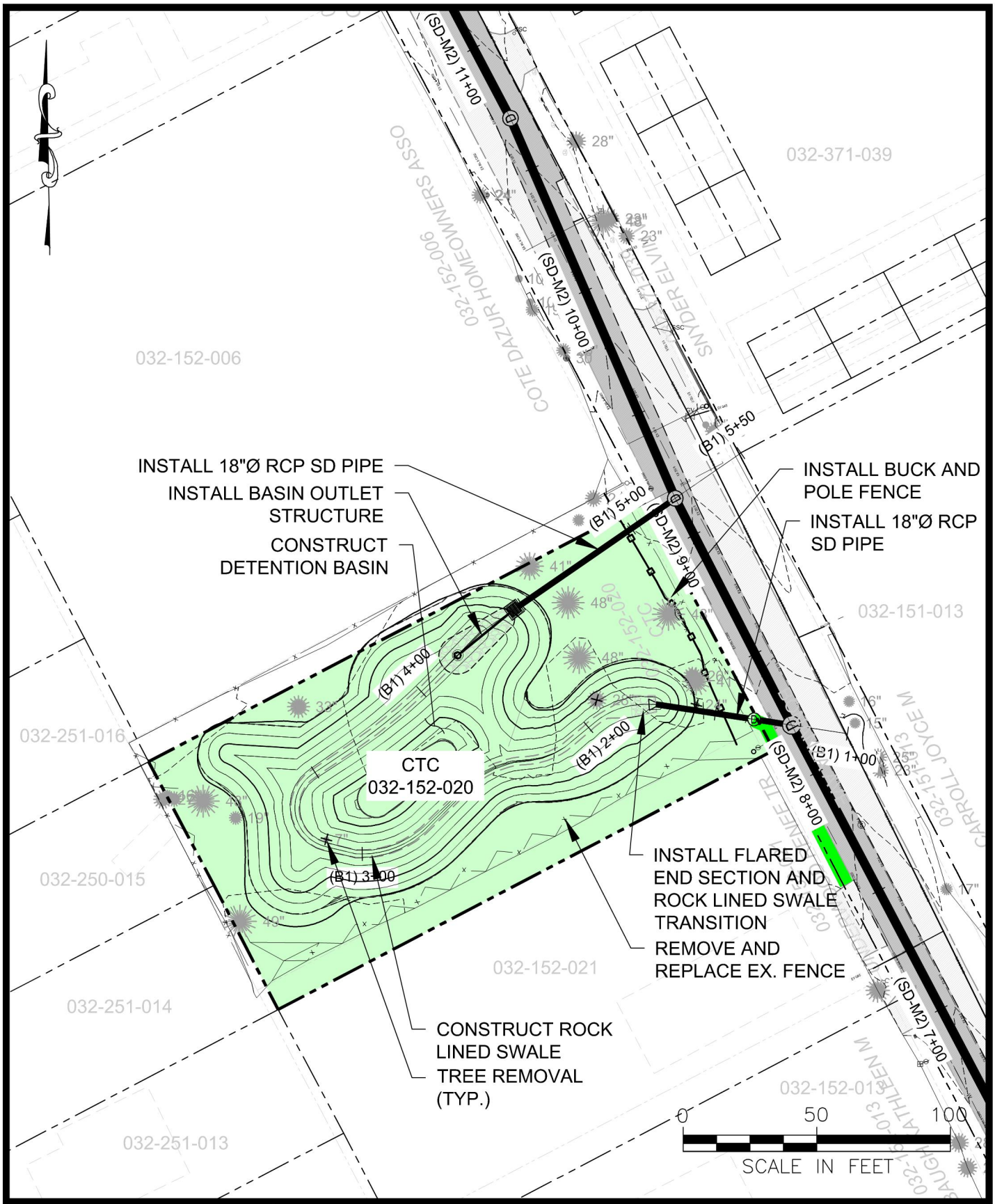
EL DORADO COUNTY CALIFORNIA

Date: 11/2021
Scale: 1"=100'

EXHIBIT
B-8

Job No: 5320400000

C-041-2022



Cardno

RENO
5496 RENO CORPORATE DRIVE
RENO, NV 89511
TEL: (775) 828-4362 FAX: (775) 851-8046
WWW.CARDNO.COM

LICENSE AGREEMENT

TAHOE VALLEY STORMWATER AND GREENBELT IMPROVEMENT PROJECT

APN: 032-152-020

CTC PROPERTY BOUNDARY

EL DORADO COUNTY CALIFORNIA

Date: 11/2021

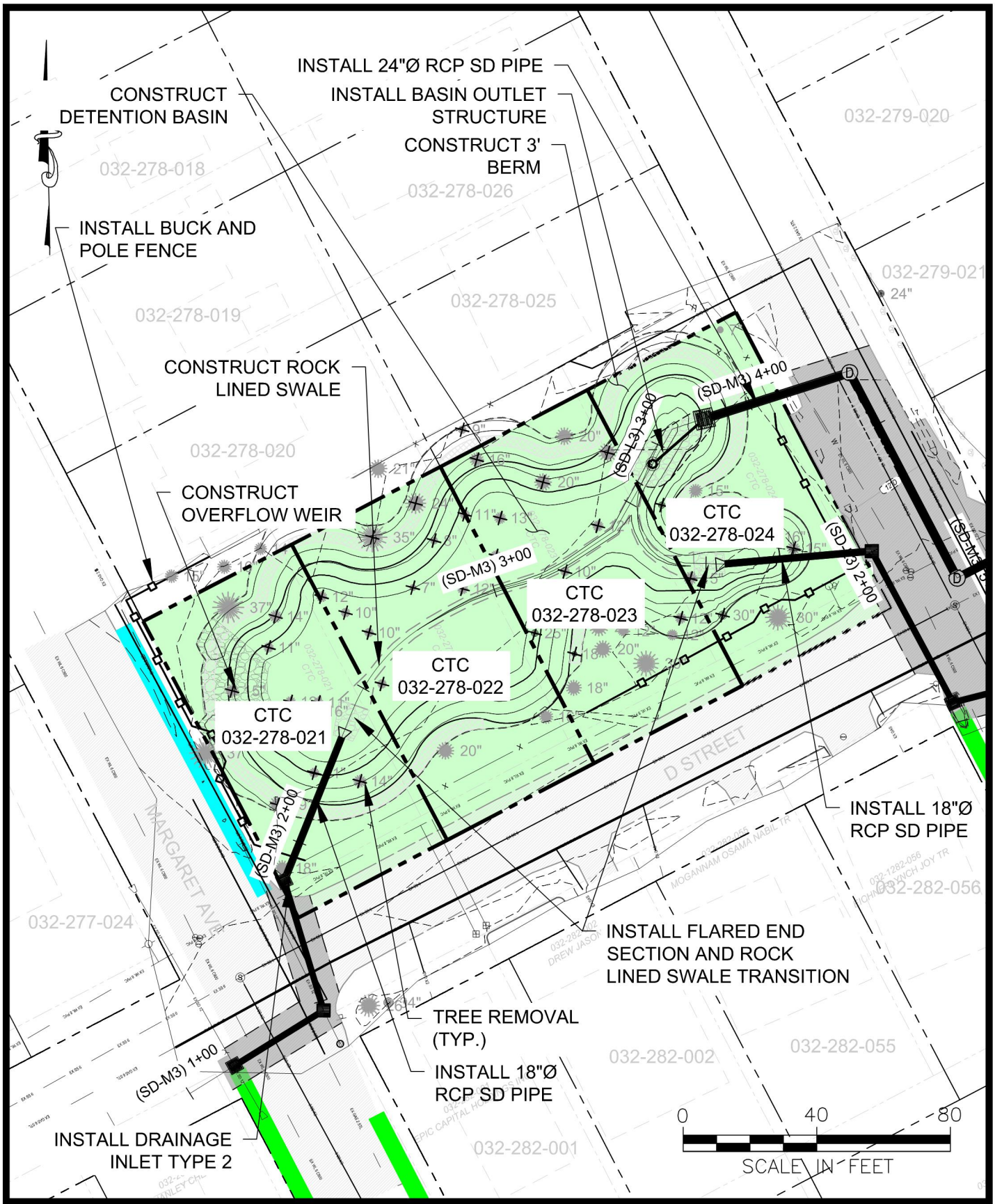
Scale: 1"=50'

EXHIBIT

B-9

Job No: 53204000000

C 041-2022



Cardno

RENO
5496 RENO CORPORATE DRIVE
RENO, NV 89511
TEL: (775) 828-4362 FAX: (775) 851-8046
WWW.CARDNO.COM

LICENSE AGREEMENT

TAHOE VALLEY STORMWATER AND GREENBELT IMPROVEMENT PROJECT

APN: 032-278-021, 032-278-022, 032-278-023, 032-278-024

CTC PROPERTY BOUNDARY

EL DORADO COUNTY CALIFORNIA

Date: 11/2021

Scale: 1"=40'

EXHIBIT

B-10

Job No. 53204000000

C 041-2022

C-044-2022 Conservancy License Agreement Final-Updated_20220401

Final Audit Report 2022-04-12

Created:	2022-04-06
By:	jo Mcdonough (jmcdonough@cityofslt.us)
Status:	Signed
Transaction ID:	CBJCHBCAABAAh6rQRL1Wox53G6rPt5UvG-K80Tgd3Gew

"C-044-2022 Conservancy License Agreement Final-Updated_20220401" History

Document created by jo Mcdonough (jmcdonough@cityofslt.us)
2022-04-06 - 8:44:12 PM GMT- IP address: 128.92.136.146

Document emailed to Sue Blankenship (sblankenship@cityofslt.us) for signature
2022-04-06 - 8:48:44 PM GMT

Email viewed by Sue Blankenship (sblankenship@cityofslt.us)
2022-04-06 - 9:19:03 PM GMT- IP address: 12.177.140.20

Document e-signed by Sue Blankenship (sblankenship@cityofslt.us)
Signature Date: 2022-04-06 - 9:19:30 PM GMT - Time Source: server- IP address: 12.177.140.20

Document emailed to Heather Stroud (hstroud@cityofslt.us) for signature
2022-04-06 - 9:19:34 PM GMT

Email viewed by Heather Stroud (hstroud@cityofslt.us)
2022-04-06 - 11:24:12 PM GMT- IP address: 128.92.136.146

Document e-signed by Heather Stroud (hstroud@cityofslt.us)
Signature Date: 2022-04-06 - 11:28:18 PM GMT - Time Source: server- IP address: 128.92.136.146

Document emailed to Devin Middlebrook (dmiddlebrook@cityofslt.us) for signature
2022-04-06 - 11:28:23 PM GMT

Email viewed by Devin Middlebrook (dmiddlebrook@cityofslt.us)
2022-04-07 - 1:12:07 AM GMT- IP address: 66.189.255.213

Document e-signed by Devin Middlebrook (dmiddlebrook@cityofslt.us)
Signature Date: 2022-04-07 - 1:12:23 AM GMT - Time Source: server- IP address: 66.189.255.213

Adobe Acrobat Sign

Document emailed to Michael Steeves (michael.steeves@tahoe.ca.gov) for signature
2022-04-07 - 1:12:27 AM GMT

Email viewed by Michael Steeves (michael.steeves@tahoe.ca.gov)
2022-04-12 - 4:33:08 PM GMT- IP address: 38.107.181.81

Document e-signed by Michael Steeves (michael.steeves@tahoe.ca.gov)
Signature Date: 2022-04-12 - 4:33:57 PM GMT - Time Source: server- IP address: 38.107.181.81

Agreement completed.
2022-04-12 - 4:33:57 PM GMT

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 6

Agenda Item: Winter Storm 2023 Reconciliation Budget Appropriation

Executive Summary: During the Winter of 2022-23, due to severe winter conditions and required response, additional expenditures were required to address snow removal, equipment maintenance needs, and utility expenses. Specifically, an additional $937,730 was required to cover the cost of salaries and benefits, extra overtime, equipment repair, fuel expenses and $160,000 in anticipated expenses for snow equipment repair. In addition, $30,716 was needed to cover the natural gas cost for the snow melt system at Transit Center/Explore Tahoe and for utilities at TTD leased facilities.

Requested Action / Suggested Motions: Pass a Resolution appropriating $968,447 from General Fund Undesignated Excess Reserves Account for Reconciliation of Winter 2023 Expenditures.

Responsible Staff Member: Anush Nejad, Director of Public Works

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff_Report_Winter_Budget_Appropriation_Final.docx
02-Resolution-Winter_Budget_Appropriation_8.8.23_Final_V2.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 8, 2023

Title: Winter Storm Reconciliation Budget Appropriation

Project Location: Citywide

Responsible Staff Member: Anush Nejad, Director of Public Works (530) 542-6031

Background:
During the Winter of 2022-23, due to severe winter conditions and required response, additional expenditures were required to address snow removal, equipment maintenance needs, and utility expenses.

Issue and Discussion:
During the Winter of 2022-23, the following additional funding was required for the winter operations to address snow removal, equipment maintenance, and utility's needs:

1. Account 207-03610 – Snow Removal – $937,730 as detailed below. Snow removal costs are 50% reimbursable by the State:
    a. $68,676 for additional salaries and benefits due to more employees charged to the snow removal account than originally budgeted.
    b. $164,712 for additional overtime costs incurred above the budgeted amount.
    c. $247,905 for fleet services and equipment repairs, plus $160,000 for the projected repair of snow removal equipment.
    d. $296,438 for additional fuel expenses.
2. Account 216-05250 – Transit Center/Explore Tahoe
    a. $30,716 for additional natural gas costs. This cost is partially reimbursed by TTD at one-third of the cost and LTVA at $5,000 annually for all utilities.

Financial Implications:
The following table outlines the original budget allocation, expenditures, and net changes:

Account	2022-23 Allocated Budget	Expenditure	Net Increase
207-03610-41015 – Regular Employees	$646,166	$714,841.55	(+) $68,676

207-03610-41040 – Overtime	$75,000	$239,711.31	(+) $164,712
207-03610-42040 – SHOP (Fleet Services)	$300,000	$547,904.51	(+) $407,905
207-03610-45024 – Fuel	$150,000	$446,437.39	(+) $296,438
216-05250-45021 – Natural Gas	$25,000	$55,715.69	(+) $30,716
		Total	**$968,447**

The accompanying resolution appropriates a total of $968,447 (rounded amounts) from General Fund Undesignated Excess Reserves into the Snow Removal fund, Transit fund, and General Fund Fleet accounts that incurred expenditures in excess of budgeted amounts.

Environmental Considerations:
The proposed action is not a “project” subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(4) (creation of government funding mechanisms or government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Policy Implications:
The budget appropriation will fund the necessary costs for snow operations, protect city assets, and preserve the equipment for the next winter.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

August 8, 2023

Appropriating $968,447 from General Fund Undesignated Excess Reserves for the Winter 2022-23 Storm Reconciliation

BACKGROUND

A. During the Winter of 2022-23, the City of South Lake Tahoe Streets and Snow Operations required additional labor and materials to address severe winter conditions.

B. Additional funding was needed for required services, including snow removal, equipment maintenance, and utilities.

C. The Department of Public Works expects an additional budget of $160,000 to repair damaged snow equipment before the end of the fiscal year.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Appropriates the following amounts to the accounts in the table below from the General Funds Undesignated Excess Reserves to reconcile the 2022-23 budget:

From Fund:	**Source**	**Amount**
36300	General Fund Undesignated Excess Reserves	(-) $968,447
To Fund:	**Task**	**Amount**
207-03610-41015	Snow Operations – Regular Employees	(+) $68,676
207-03610-41040	Snow Operations – Overtime	(+) $164,712
207-03610-42040	Snow Operations – Shop (Motor Pool)	(+) $407,905
207-03610-45024	Snow Operations – Fuel (Gasoline)	(+) $296,438
216-05250-45021	Transit Center – Natural Gas	(+) $30,716
	Total	**(+) $968,447**

Adopted by the City of South Lake Tahoe City Council on August 8, 2023 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #:7

Agenda Item: Ordinance - Confirmation of Termination and Rescission of Development Agreement with Perfect Union SLT, LLC (Second Reading)

Executive Summary: On June 15, 2021, City Council adopted Ordinance No. 2021-1155 terminating the Development Agreement with Perfect Union SLT, LLC (â€œPerfect Unionâ€). Subsequently, Perfect Union filed a lawsuit against the City challenging this action. During the course of this lawsuit and documents produced by Perfect Union following a motion to compel, the City has become aware of additional grounds supporting termination and rescission of the Development Agreement. The City Attorney recommends that City Council adopt an ordinance confirming termination and recission of the Development Agreement with Perfect Union to document these additional grounds, namely Perfect Union's uncurable lack of legal or equitable interest in the subject property at the time the Development Agreement was executed, and an unauthorized attempt to transfer and/or actual transfer of ownership or control of the business. On June 20, 2023, City Council voted 3-0-2 (with Mayor Creegan and Mayor Pro Tem Bass recused) to hold a first reading (by title only) and refer second reading and adoption to August 8, 2023.

Requested Action / Suggested Motions: Pass an Ordinance Confirming Termination and Rescission of Development Agreement with Perfect Union SLT, LLC.

Responsible Staff Member: Heather Stroud, City Attorney

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance

Attachments:

01 - Staff Report - Reaffirming Termination of DA 2nd Reading.docx
02 - Ordinance Confirming Termination and Rescission of DA.docx
03 - Exh. A to Ordinance (Mitracos v. City of Tracy).pdf
04 - Exh. B to Ordinance (Side Letter).pdf
05 - Exh. C to Ordinance (Conditional Assignment of Membership Interest).pdf
06 - Exh. D to Ordinance (Agreement of Purchase and Sale of Membership Interest).pdf
07-Proof of Publication

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 8, 2023

Title: Ordinance - Confirmation of Termination and Rescission of Development Agreement with Perfect Union SLT, LLC (Second Reading)

Location: 2227 James Ave., Suite 5

Responsible Staff Member: Heather Stroud, City Attorney (530) 542-6046

Background:
On June 15, 2021, City Council adopted Ordinance No. 2021-1155 terminating the Development Agreement with Perfect Union SLT, LLC ("Perfect Union"). Subsequently, Perfect Union filed a lawsuit against the City (El Dorado County Superior Court Case No. SC20210172) alleging a breach of contract and seeking relief including damages, specific performance, and injunctive relief against the City. During the course of this lawsuit and documents produced by Perfect Union following a motion to compel, the City has become aware of additional grounds supporting termination and rescission of the Development Agreement. The City Attorney recommends that City Council adopt an ordinance confirming termination and recission of the Development Agreement with Perfect Union to document these additional grounds. On June 20, 2023, the City Council held a first reading (by title only) and referred second reading to August 8, 2023.

Issue and Discussion:
City Council Ordinance No. 2021-1155 terminated the Development Agreement on the grounds that Perfect Union breached the Development Agreement by failing to obtain all approvals and be open for business by the deadline of February 13, 2021. In addition to this reason to terminate the Development Agreement, which remains a valid ground on its own to support termination, two additional grounds have since come to light.

First, Perfect Union's lack of legal or equitable interest in the subject property at the time the Development Agreement was executed and was to become effective is not a breach that could be cured under Government Code section 64865(a) of the Development Agreement Law, including as interpreted by a 2022 Court of Appeal case from the Third Appellate District, which is the district that decides appeals arising out of the El Dorado County Superior Court. Section 64865(a) requires that a developer have a legal or equitable interest in the real property to be developed at the time a city enters into a development agreement and the development agreement becomes effective. In *Mitracos v. City of Tracy*, 2022 WL 1536636 (Cal. Third App. Dist. May 16, 2022), the court held that a development agreement which purports to apply to property for which the developer had no legal or equitable interest at the time the development agreement was executed and purportedly became effective is *void*.

Section 2.4.4 of the Development Agreement required Perfect Union to represent and warrant that it “has a legal, possessory or other equitable interest in the Property.” Although Perfect Union had made this representation and submitted with its original application a real estate letter of intent from property owner Michael McKeen to lease 2227 James Ave., Suite 5 to Perfect Union SLT, LLC, Mr. McKeen also entered into a Side Letter Agreement with lessees Melissa Sanchez and Rick Lobley, who are not listed as owners or members of Perfect Union SLT, LLC, stating that “Lessor and Lessee agree that . . . the [real estate letter of intent] has no effect on the terms of the lease” and is “null and void.” (See Exhibit B to the attached Ordinance.) Perfect Union has never provided any contrary evidence to show it had a legal or equitable interest in the subject property when the Development Agreement was executed, or on before its effective date. Thus, the evidence shows Perfect Union did not actually have the requisite legal or equitable interest in the subject property when the Development Agreement was entered into or on or before its effective date.

Second, Perfect Union produced documents showing that local owners Scott Peters and Leon Abravanel had arranged to transfer the ownership in the business before any application was even submitted to the City, in violation of the Development Agreement and City Code. Specifically, the documents produced during discovery show that on April 4, 2019, the day before Perfect Union submitted its application for the Development Agreement to the City, Peters and Abravanel executed a Conditional Assignment of Membership Interest in which they agreed to convey 95 percent of their membership interest in Perfect Union to SLT James, LLC and MWG Holdings Group, Inc. upon issuance of a City license. (See Exhibit C to the attached Ordinance.) This appears to have been a fraudulent attempt to structure ownership to achieve the maximum number of points for local ownership at the time the development agreement applications were scored without actually having any local ownership in effect by the time the business began operating. While this ownership transfer does not appear to have been consummated, Perfect Union continued to pursue an unauthorized transfer.

The documents produced during discovery in the lawsuit also show that on November 25, 2020 (the same day that Perfect Union applied for an amendment to its Development Agreement to extend the time to open for business and change ownership or control to a different entity), Peters and Abravanel executed an Agreement of Purchase and Sale of Membership Interest in which Peters and Abravanel agreed to sell 99 percent of their interest in Perfect Union to 2227 SLT LLC, an entity for which Melissa Sanchez signed as the Manager, for $100,000. (See Exhibit D to the attached Ordinance.) Section 10.1 of the Development Agreement prohibits unauthorized sale, assignment, or transfer of interests in the cannabis business, and states that “any assignment or transfer prohibited by this Agreement will be considered an immediate breach of this Agreement and City may elect to immediately terminate this Agreement.” Additionally, the transfer or attempted transfer of ownership or control of a cannabis business without obtaining approval from the City is void and results in the affected Cannabis Use Permit being deemed revoked under South Lake Tahoe City Code section 6.55.740(C).

Financial Implications:

Under the Development Agreement, Perfect Union agreed to provide the City with a community benefit fee of 6 percent of gross receipts and to provide additional community benefits described in Exhibit C of the Development Agreement including educational and after-school programs for children to prevent cannabis use. Because Perfect Union failed to open for business, the City and community have not realized any financial benefits from the Development Agreement. The proposed ordinance does not have any financial implications.

Environmental Considerations:
This action is not a project requiring review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(5) (organizational or administrative activities that will not result in direct or indirect physical changes in the environment).

Policy Implications:
None.

Ordinance 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

August 8, 2023

An Ordinance Confirming Termination and Rescission of Development Agreement with Perfect Union SLT, LLC

FINDINGS

A. On April 5, 2019, Perfect Union SLT, LLC ("Perfect Union") submitted an application to the City for a development agreement to operate a cannabis microbusiness. Perfect Union's application included a "binding letter of intent to lease" the property at 2227 James Avenue, Suite 5 ("Property"), which was signed by owner Michael McKeen and purported lessee Perfect Union. If this evidence of owner consent had not been included in the application, Perfect Union's application would have been deemed incomplete under the Development Agreement Application, Evaluation, and Selection Procedures and Evaluation Criteria adopted by City Council Resolution No. 2019-003. Furthermore, Government Code section 64865(a) of the Development Agreement Law requires that a developer have a legal or equitable interest in the real property to be developed at the time a city enters into a development agreement and the development agreement becomes effective. *See also Mitracos v. City of Tracy*, 2022 WL 1536636 (Cal. Third App. Dist. May 16, 2022) (a development agreement which purports to apply to property for which the developer had no legal or equitable interest at the time the development agreement was executed and purportedly became effective is void) (attached hereto as Exhibit "A").

B. In its application for a development agreement, Perfect Union indicated that "[t]he business is 100% owned by two local residents and business owners. Leon Abravanel and Scott Peters each own 50% of the business." If Perfect Union had not represented that it was owned by one or more three-year residents or business owners within the boundaries of the City of South Lake Tahoe, it would not have received the maximum number of points for local ownership (9 points out of 100 total) in the scoring rubric under the Development Agreement Application/Proposal Requirements and Evaluation Criteria adopted by City Council Resolution No. 2019-003.

C. On November 14, 2019, the Planning Commission issued a Cannabis Use Permit to Perfect Union for the operation of a cannabis microbusiness at the Property, and recommended that City Council adopt an ordinance to approve a Development Agreement with Perfect Union, by adoption of Resolution No. 2019-27.

D. On January 14, 2020, the City Council adopted Ordinance No. 2020-1137 approving a Development Agreement with Perfect Union in accordance with the Development Agreement Law, California Government Code sections 65864-65869.5, and South Lake Tahoe City Code section 6.55.790. The Development Agreement provides that its effective date was February 13, 2020.

E. Section 3.5 of the Development Agreement required Perfect Union to obtain all Subsequent Approvals and open for business by February 13, 2021. Perfect Union did not meet this deadline. Subsequent Approvals not obtained by the deadline included a Certificate of Occupancy for the tenant improvements, issuance of a Public Safety License, and a state license to operate a cannabis microbusiness.

F. On November 25, 2020, Melissa Sanchez, on behalf of Perfect Union, submitted an application to amend the Development Agreement to extend the opening deadline by 12 months, and subsequently amended the application to shorten the requested extension to six months. The application also requested a change of ownership or control from Perfect Union to James Tahoe LLC.

G. On January 14, 2021, the Planning Commission held a public hearing to consider Perfect Union's request. The Planning Commission adopted Resolution No. 2021-02, recommending that City Council not adopt an ordinance to amend the Development Agreement to extend the opening deadline by six months or allow a change in ownership or control of Perfect Union.

H. Perfect Union appealed the Planning Commission's action, which appeal was heard and denied by the City Council on March 2, 2021, by adoption of Resolution No. 2021-011.

I. On February 10, 2021, Perfect Union requested a 120-day permitted delay under Section 12.3 of the Development Agreement, which the City Attorney denied in a response dated February 11, 2021, because the stated reasons for Perfect Union's failure to obtain the Subsequent Approvals and open for business by February 13, 2021 did not meet the definition of "permitted delay" under the Development Agreement.

J. On March 3, 2021, the City Attorney sent a Notice of Breach to Perfect Union under Section 11.1 of the Development Agreement, providing 30 days to cure before proceeding with remedies including withholding of permits and termination of the Development Agreement. The Notice of Breach cited Perfect Union's breach of the following sections of the Development Agreement: (1) Section 3.5 (Development Timing) for failing to obtain the Subsequent Approvals and open for business by February 13, 2021; (2) Section 2.4.4 (Developer Representations and Warranties) for misrepresenting that Perfect Union was the lessee of the Property when, in fact, a Side Letter Agreement executed by Melissa Sanchez and Rick Lobley (who were themselves actually the lessees of the Property and not listed as owners or members of Perfect Union), and owner Michael McKeen, dated April 4, 2019, the day before Perfect Union submitted its application to the City), stated that the Real Estate Letter of Intent

between McKeen and Perfect Union is “null and void” (attached hereto as Exhibit “B”); and (3) Section 4.4.1 (Public Safety Impact Mitigation Fee) for failing to timely pay the fee.

K. Perfect Union did not cure all of the breaches cited by the City Attorney’s March 3, 2021 Notice of Breach letter within the 30-day period provided. Specifically, Perfect Union failed to obtain all Subsequent Approvals and open for business by the end of the cure period, or to commence the cure during the cure period and diligently prosecute it to completion. Further, pursuant to Government Code section 64865(a) and the Third District Court of Appeal’s analysis in *Mitracos v. City of Tracy*, Perfect Union’s lack of legal or equitable interest in the Property at the time the Development Agreement was executed is not a curable breach and rendered the Development Agreement void. Perfect Union has never provided any contrary evidence to show it had a legal or equitable interest in the Property when the Development Agreement was executed, or on or before its effective date. Thus, the evidence shows that Perfect Union did not actually have the requisite legal or equitable interest in the Property when the Development Agreement was entered into or on or before its effective date.

L. On May 13, 2021, the Planning Commission held a public hearing and passed Resolution No. 2021-08 suspending Perfect Union’s cannabis use permit under South Lake Tahoe City Code section 6.55.780 pending the outcome of the termination proceedings, and recommending that City Council adopt an ordinance terminating the Development Agreement.

M. On June 1, 2021, the City Council held a first reading (by title only) and referred a second reading and adoption to June 15, 2021, to terminate the Development Agreement. On June 15, 2021, the City Council adopted Ordinance No. 2021-1155 terminating the Development Agreement on the grounds that Perfect Union breached the Development Agreement by failing to obtain all Subsequent Approvals and be open for business by the deadline of February 13, 2021, which automatically terminated the associated Cannabis Use Permit under South Lake Tahoe City Code section 6.55.780(D).

N. On September 22, 2021, Perfect Union filed a lawsuit against the City (El Dorado County Superior Court Case No. SC20210172), alleging breach of contract and seeking relief including damages, specific performance, and injunctive relief against the City.

O. During discovery in the lawsuit, and following a motion to compel, Perfect Union produced documents showing that local owners Scott Peters and Leon Abravanel had arranged to transfer their ownership in the business before any application was even submitted to the City, in violation of the Development Agreement and City Code.

P. Specifically, the documents produced during discovery show that on April 4, 2019, the day before Perfect Union submitted its application for the Development Agreement to the City, Peters and Abravanel executed a Conditional Assignment of Membership Interest (attached hereto as Exhibit “C”) in which they agreed to convey 95 percent of their membership interest in Perfect Union to SLT James, LLC and MWG Holdings Group, Inc. upon issuance of a City license. This appears to have been a fraudulent attempt to structure ownership to achieve the

maximum number of points for local ownership at the time the development agreement applications were scored without actually having any local ownership in effect by the time the business began operating. For reasons that have not been disclosed to the City, this ownership transfer does not appear to have been consummated (however, Perfect Union continued to pursue an unauthorized transfer, as discussed below).

Q. The documents produced during discovery in the lawsuit also show that on November 25, 2020 (the same day that Perfect Union applied for an amendment to its Development Agreement to extend the time to open for business and change ownership or control to James Tahoe LLC), Peters and Abravanel executed an Agreement of Purchase and Sale of Membership Interest (attached hereto as Exhibit "D") in which Peters and Abravanel agreed to sell 99 percent of their interest in Perfect Union to 2227 SLT LLC, an entity for which Melissa Sanchez signed as the Manager, for $100,000. Section 10.1 of the Development Agreement prohibits unauthorized sale, assignment, or transfer of interests in the cannabis business, and states that "any assignment or transfer prohibited by this Agreement will be considered an immediate breach of this Agreement and City may elect to immediately terminate this Agreement." Additionally, the transfer or attempted transfer of ownership or control of a cannabis business without obtaining approval from the City is void and results in the affected Cannabis Use Permit being deemed revoked under South Lake Tahoe City Code section 6.55.740(C).

R. On June 20, 2023, the City Council held a public hearing and a first reading (by title only) of this ordinance, and referred second reading and adoption to August 8, 2023 by a vote of 3-0-2. Mayor Cristi Creegan and Mayor Pro Tem Cody Bass recused themselves because of potential conflicts of interest. In accordance with City Council Protocols, the Mayor selected a councilmember without a conflict (Councilmember Tamara Wallace) to act as the chair for that item. There were no speakers at the public hearing.

Now, Therefore, the City Council of City of South Lake Tahoe does ordain as follows:

SECTION 1. The recitals set forth above are true and correct.

SECTION 2. The City Council reaffirms that Perfect Union breached its Development Agreement by failing to obtain all Subsequent Approvals (as defined in its Development Agreement) and be open for business by the deadline of February 13, 2021.

SECTION 3. The City Council finds that Perfect Union also breached its Development Agreement by attempting and/or actually selling and transferring 99 percent of the local owners' interest in Perfect Union to 2227 SLT LLC, on November 25, 2020, a breach which entitled the City to immediate termination of the Development Agreement at that time, had Perfect Union not fraudulently withheld information about the sale and transfer of ownership and control until Perfect Union was compelled by the court to disclose it during discovery.

SECTION 4. The City Council finds that Perfect Union also breached the Development Agreement by falsely representing and warranting at the time of its application and execution of the Development Agreement that it had a "legal, possessory, or other equitable interest" in the Property, and that this breach was not cured before the Development Agreement's effective date of February 13, 2020, and

was not curable under Government Code section 64865(a), including as interpreted by the Third District California Court of Appeal (which has jurisdiction of appeals from El Dorado County Superior Court) in *Mitracos v. City of Tracy*.

SECTION 5. The City Council further finds that the Development Agreement was and is void based on the foregoing findings.

SECTION 5. Based on the foregoing, the City Council reaffirms the termination of the Development Agreement with Perfect Union and further determines that the Development Agreement is and shall be rescinded.

SECTION 6. This Ordinance shall be effective thirty (30) days after its passage and adoption.

Adopted by the City of South Lake Tahoe City Council on August 8, 2023 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date:_____
Tamara Wallace, Councilmember

Attest:

_____
Susan Blankenship, City Clerk

First Reading:
Published:
Effective:

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

KeyCite Red Flag - Severe Negative Treatment
Unpublished/noncitable

2022 WL 1536636
Not Officially Published
(Cal. Rules of Court, Rules 8.1105 and 8.1110, 8.1115)
Only the Westlaw citation is currently available.

California Rules of Court, rule 8.1115, restricts citation of unpublished opinions in California courts.

Court of Appeal, Third District, California.

Mary MITRACOS, Plaintiff and Respondent,
v.
CITY OF TRACY, Defendant and Appellant;
Surland Communities, LLC, Real Party in Interest and Appellant.

C093383
|
Filed 5/16/2022

Attorneys and Law Firms

Mark V. Connolly, Attorney at Law, P.O. Box 1109, Tracy, CA 95378, for Plaintiff and Respondent.

Kevin Drake Siegel, Nicholas Joseph Muscolino, Burke, Williams & Sorensen LLP, 1901 Harrison Street, Suite 900, Oakland, CA 94612, Leticia Ramirez, City Attorney, City of Tracy, 333 Civic Center Plaza, Tracy, CA 95376-4062, for Defendant and Appellant.

Steven A. Herum, Joshua Jonathan Stevens, Herum Crabtree Suntag, 5757 Pacific Avenue, Suite 222, Stockton, CA 95207, for Real Party in Interest and Appellant.

Matthew Cable Henderson, Miller Starr Regalia, 1331 N. California Blvd., 5th Floor, Walnut Creek, CA 94596, for Appellant.

Rick W. Jarvis, Jarvis, Fay & Gibson, LLP, 555 12th Street, Suite 1630, Oakland, CA 94607, for Appellant.

(Super. Ct. No. STK-CV-UWM-2018-0005531)

Opinion

RAYE, P. J.

***1** Defendant City of Tracy and real party in interest Surland Communities, LLC (Surland) jointly appeal from the judgment on plaintiff Mary Mitracos' petition for writ of mandate ordering the city to vacate and set aside the adoption and approval of the "Second Amendment to Amended and Restated Development Agreement" between the city and Surland (hereafter the Second Amendment).

The city and Surland contend that the judgment should be reversed, because (1) the trial court wrongly found that sections 1.07(b)(ii) and 1.07(h) of the Second Amendment, allowing property to be added to the city's development agreement with Surland, violated Government Code sections 65865, subdivision (a), and 65865.2;[1] and (2) the court should have severed sections 1.07(b)(ii) and 1.07(h), rather than invalidating the entire Second Amendment.

We will remand to the trial court to determine the amount of attorney fees Mitracos reasonably incurred defending against this appeal. We will otherwise affirm the judgment.

FACTUAL AND PROCEDURAL BACKGROUND

In 2009, the city recorded a development agreement with Surland. Under the vested rights provisions of the agreement, the city's land use "rules, regulations, ordinances, policies, standards, specifications, practices and standard operating procedures" relating to Surland's development of property in the Ellis Specific Plan area were frozen as of December 1, 2008. In return, Surland committed to provide $10 million towards design, maintenance, operation and construction of a local community swim center and to offer to dedicate up to 16 acres for the swim center site. The term of the agreement was 25 years.

The agreement further provided that Surland was eligible to receive 2,250 "Residential Growth Allotments" (RGAs) from the city. An RGA, as defined by the city's Growth Management Ordinance, "is an allotment made by the City ... which must be obtained by a developer ... before each residential building permit is issued by the City .... One RGA is required for each dwelling unit to be constructed." (Tracy Mun. Code, ch. 10.12, § 10.12.030.) The first 500 RGAs were dedicated to development within the Ellis Specific Plan area.[2] All remaining RGAs could be used within the Ellis Specific Plan area or applied to other Surland-owned property authorized for development. The agreement required that "[a]s to all property ... Owner [Surland] must have a legal or

equitable interest in such property before this Agreement can be recorded against such property."

***2** On October 31, 2011, the trial court issued a statement of decision on a petition for writ of mandate filed by the Tracy Region Alliance for a Quality Community to enjoin the city from proceeding under the 2009 development agreement. The court found that (1) "the Development Agreement in this case is a reservation of future development rights for Surland ... contrary to the plain language and objectives of Section 65865(a)"; and (2) the agreement applied to property outside the Ellis Specific Plan area, thus "there can be no reference to existing regulations or zoning ordinances which can satisfy the requirements of Government Code § 65865.2."

In 2013, the city recorded an "Amended and Restated Development Agreement" with Surland (hereafter the 2013 DA). The 2013 DA provided that the 2,250 RGAs that Surland was eligible to apply for and potentially receive were for development of all the property within the Ellis Specific Plan area that Surland owned or had enforceable contracts to purchase.

On May 18, 2018, the city recorded the Second Amendment to the 2013 DA. [3] Under the Second Amendment, Surland would assume an increased obligation to design and construct the swim center and the city would adopt a process for Surland to apply for and the city to approve the addition of property subject to the 2013 DA. Section 1.07(b)(ii) of the Second Amendment provided in relevant part: "This amendment is designed to permit additional property to be added to and incorporated in to the Development Agreement and therefore become Property of the Development Agreement, and Owner [Surland] may apply for RGAs for Projects and home builders within the Property (whether or not annexed to the [Ellis Specific Plan]) area. Owner shall not apply RGAs subject to this Agreement to other real property unless this property has been added to the Development Agreement as Property pursuant to subsection 1.07(h)."

Section 1.07(h) gave Surland the right to request approval from the city to record the development agreement against additional property if: (1) the property "has been annexed" to the city; (2) Surland has an enforceable right to purchase the property "within the meaning of 'legal and equitable interest in real property' as used in current Government Code Section 65865(a)"; (3) Surland agrees to annex the property into the Ellis Specific Plan owners' association, finance district and finance plan; (4) the development agreement as amended or modified includes a description of the property; and (5) the city adopts a finding that the property description is not inconsistent with the city's Growth Management Ordinance in the form that existed on the effective date of the 2013 DA.

On May 11, 2018, Mitracos filed a petition for writ of mandate and complaint for declaratory relief against the city, naming Surland as real party in interest, alleging that the Second Amendment violated sections 65865, subdivision (a), and 65865.2 and was therefore void. [4] Surland and the city filed answers to the petition and the parties submitted a brief. The matter proceeded to a court trial, essentially a writ hearing, which was not reported. Mitracos requested a statement of decision.

***3** In the statement of decision, the court found the Second Amendment "could be recorded against and currently allocated Residential Growth Allotments applied to real property in which [Surland] has no 'legal or equitable interest' " as required by section 65865. The court further found "that the fact the 2018 amendments allow for the annexation of Real Party's after acquired property, and the application of allotted RGAs only upon city council action does not meet the Government Code requirements which exist at the inception of Development Agreements." The court also found that the Second Amendment did not meet the requirements of section 65865.2 as it "allows RGAs to be used on other unknown projects and unknown parcels which may or may not have the Ellis Specific Plan design and planning standards for all infrastructure and site improvements."

The court entered judgment finding that the city committed a prejudicial abuse of discretion in adopting the Second Amendment, which did not comply with sections 65865, subdivision (a), and 65865.2, and was therefore void, and ordering the city to set aside, rescind and vacate the Second Amendment and ordinance adopting it.

The city and Surland moved for a new trial, or, in the alternative, to set aside and vacate the judgment and enter a new and different judgment. The trial court failed to rule on the motion within the statutorily prescribed time, resulting in its denial by operation of law. (*Hersey v. Vopava* (2019) 38 Cal.App.5th 792, 797, fn. 2; Code Civ. Proc., §§ 660, subd. (c), 663a, subd. (b).)

The city and Surland filed timely appeals.

DISCUSSION

I

Section 68685

The city and Surland contend that the trial court's interpretation of sections 1.07(b)(ii) and 1.07(h) of the Second Amendment as violating section 65865 is incorrect. We disagree.

The standard of review we apply in reviewing the validity of a development agreement is in fact two standards of review, as the court explained in *Santa Margarita Area Residents Together v. San Luis Obispo County Bd. of Supervisors* (2000) 84 Cal.App.4th 221 (*Santa Margarita*): "A development agreement is a legislative act (§ 65867.5) and [the city] has the discretion to determine what legislation is necessary and appropriate. A reviewing court will not set aside a legislative act unless it is arbitrary, capricious, or unlawful. [Citations.] On the other hand, courts independently decide purely legal issues such as statutory interpretation." (*Id.* at pp. 227-228.) Thus, a court reviews a development agreement "to determine if it enlarges or impairs the terms of the authorizing statute without deference" to the local legislative body. (*Id.* at p. 228.)

The city and Surland argue that the Second Amendment did not violate section 65865, subdivision (a), because (1) section 1.07(b)(ii) of the Second Amendment only allows property to be added to the 2013 DA if Surland owns or has an enforceable right to purchase property within the meaning of the " 'legal and equitable interest in real property' " language in section 65865, and (2) section 1.07(h)(iv) of the Second Amendment requires that the 2013 DA contain an amended description of property subject to the agreement that includes the newly added property. The city and Surland argue that sections 1.07(b)(ii) and 1.07(h) were drafted to address the issues that prompted invalidation of the 2009 development agreement.

However, the 2009 development agreement also contained a provision requiring Surland to have an interest in newly acquired property that complied with section 65865, subdivision (a). The difference between the 2009 development agreement and the Second Amendment to the 2013 DA is only that the latter requires amendment of the property description. The city and Surland deem this requirement to mandate an amendment of the 2013 DA under section 65868.[5] The 2013 DA states: "This Agreement may be amended from time to time in accordance with California Government Code section 65868 ...."

***4** An amendment requirement does not obviate the core problem under section 65865, subdivision (a), the Second Amendment, which gives Surland vested rights as of the effective date of the 2013 DA for property Surland might acquire in the future. This is not permissible under section 65865, subdivision (a), nor is it consistent with the purpose of the development agreement statute.

In *Mammoth Lakes Land Acquisition, LLC v. Town of Mammoth Lakes* (2010) 191 Cal.App.4th 435 (*Mammoth Lakes*), we summarized the history and purpose of the development agreement statute: "A development agreement is a statutorily authorized agreement between a municipal government ... and a property owner for the development of the property. (Gov. Code, § 65865, subd. (a).) One of the main components of a development agreement is a provision freezing the municipality's rules, regulations, and policies governing permitted uses of land and density of the land use, as well as standards and specifications for design, improvement, and construction. (Gov. Code, § 65866.) This provision allows a developer to make long-term plans for development without risking future changes in the municipality's land use rules, regulations, and policies." (*Id.* at p. 442, citing *Santa Margarita, supra*, 84 Cal.App.4th at p. 227.)

"The Legislature enacted the development agreement statutes in response to the California Supreme Court's jurisprudence on vested rights. [¶] Before 1976, developers in California faced changes in land use laws and policies during the course of long-term development of property. When a change in the land use laws and policies interfered with development already initiated, some developers argued that they had a 'vested right' to complete the development despite the changes in the land use laws and policies." (*Mammoth Lakes, supra*, 191 Cal.App.4th at p. 443, citing *Avco Community Developers, Inc. v. South Coast Regional Com.* (1976) 17 Cal.3d 785, 791.) "In 1976, the California Supreme Court, in *Avco,* decided that no right to complete the work vested until the developer obtained a building permit, even

if the developer had already performed substantial work and incurred substantial liabilities on the project." (*Mammoth Lakes*, at p. 443, citing *Avco*, at p. 793.)

"In 1979, the Legislature's enactment of the development agreement statutes provided a way for the municipality and developer to depart from the common law rule of vested rights." (*Mammoth Lakes, supra*, 191 Cal.App.4th at p. 443.) "The agreements allowed the developer to proceed with a project with the assurance that the project would be approved based on rules, regulations, and policies existing at the time the development agreement was approved, even if those rules, regulations, and policies changed over the course of the development project. (Gov. Code, § 65864, subd. (b).)" (*Ibid*.)

In sum, under the development agreement statute, a municipality could contractually assure a developer embarking on a long-term development project that local land use regulations and standards would not change before the developer completed the project. (See *Citizens for Responsible Government v. City of Albany* (1997) 56 Cal.App.4th 1199, 1213 (*Citizens for Responsible Government*) ["Development agreements are creatures of legislation intended to provide developers with an assurance of their right to carry a project to completion and for which they need to make initial commitments"]; *Neighbors in Support of Appropriate Land Use v. County of Tuolumne* (2007) 157 Cal.App.4th 997, 1013 ["the main purpose of a development agreement is to freeze existing regulations in order to give the developer assurance that the project will not be blocked by future regulatory changes"]; *North Murrieta Community, LLC v. City of Murrieta* (2020) 50 Cal.App.5th 31, 41 ["entering a development agreement allows a builder to rely on the regulations, conditions, and fees that exist at the planning stage when assessing the economics of completing a development that may take years or even decades to complete"]; Sigg, *California's Development Agreement Statute* (1985) 15 Sw.U. L.Rev. 695, 707 ["Development agreements grant builders a critical benefit which the traditional vested rights rule withheld: they allow a builder to acquire by contract the equivalent of a vested right at an early stage of the project"].)

***5** The language of section 65865, subdivision (a), reflects the Legislature's intent to allow a municipality to enter into an agreement to freeze land use regulations for a developer to complete a project: "Any city, county, or city and county, may enter into a development agreement with any person *having a legal or equitable interest in real property for the development of the property* as provided in this article." (§ 65865, subd. (a), italics added.) The statute speaks in terms of a developer "having" an interest in "the" real property at the inception of the development agreement. It is axiomatic that our primary task in interpreting the development agreement statute, as with any statute, is to determine the Legislature's intent, giving effect to the statutory purpose, of which the words of the statute are the most reliable indicator. (*Center for Community Action & Environmental Justice v. City of Moreno Valley* (2018) 26 Cal.App.5th 689, 698 (*Center for Community Action*).)

The Legislature's declaration in section 65864, subdivision (b), underscores that the purpose of the statute is to facilitate completion of development projects: "The Legislature finds and declares that: [¶] ... (b) Assurance to the applicant for a development project that upon approval of the project, the applicant may proceed with the project in accordance with existing policies, rules and regulations, and subject to conditions of approval, will strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic costs of development." (§ 65864, subd. (b); see also Sigg, *supra*, 15 Sw.U. L.Rev. at p. 708 ["Perhaps the primary attraction development agreements hold for builders is their potential for reducing the uncertainty over whether the builder will be able to complete a large-scale project"].)

In service of the statutory objective to facilitate completion of projects, section 65865, subdivision (a), imposes the threshold requirement that the developer actually have a legal or equitable interest in the property to be developed. Put another way, the statute is not designed to facilitate development speculation.

The amendment provisions of the development agreement statutes do not alter or expand the limited purpose of the statutes to freeze land use regulation for a developer to complete a project. The city and Surland argue that "sections 65867.5(a) and 65868 ... authorize cities to amend development agreements via duly-adopted ordinance, *without any limitation on the nature and scope of the amendment*." Not so. While these statutes are content neutral, describing only the parties' ability to amend the agreement by mutual consent and the process to do so, that does not mean a municipality has free rein to do by amendment what it cannot do in the initial agreement in compliance with section

65865, subdivision (a). The provisions of the development agreement statutes must be interpreted " 'consistent with the purpose of the statute and statutory framework.' " (*Center for Community Action, supra*, 26 Cal.App.5th at p. 698.) The limitation imposed by section 65865, subdivision (a), applies equally to an amendment under section 65868 as to the initial agreement.

Both sides cite *National Parks & Conservation Assn. v. County of Riverside* (1996) 42 Cal.App.4th 1505 (*National Parks*), in support of their respective positions. In *National Parks*, the court upheld the validity of a development agreement where the developer did not have fee title to all of the land under the agreement. (*Id.* at p. 1521.) The city and Surland argue *National Parks* concluded that a development agreement is consistent with section 65865, subdivision (a), if " 'it does not bind the use of the land unless and until the land transfer is accomplished,' " quoting *National Parks*, at page 1523. Mitracos argues that, "[i]n *National Parks*, the [development agreement] was *NOT* effective until the developer identified the property to be included and acquired an interest in all of that property. [Citation.] In *National Parks* there was no [development agreement] and no vested rights conveyed to any property until those conditions precedent occurred." Mitracos has the better argument.

***6** In *National Parks*, the challenger to a development agreement between a developer proposing to site a landfill in a former mine and the county contended that the former could not enter into the agreement, because part of the landfill site was owned by the federal Bureau of Land Management (BLM), which had agreed to a land exchange that had yet to be completed. (*National Parks, supra*, 42 Cal.App.4th at p. 1512.) The trial court held that the development agreement was valid under section 65865, subdivision (a), because the agreement by its terms would not become effective until the developer acquired a fee interest in the BLM property, the developer already owned the bulk of the land, and it was reasonably foreseeable the developer would acquire the BLM land. (*National Parks*, at p. 1513.) The appellate court agreed. The development agreement expressly provided that it was not effective until the developer acquired fee interest in the BLM property. (*Id.* at p. 1521.) The court observed: "The record shows the County has a policy not to execute development agreements until the developer has the requisite interest in the land. The condition of [the developer] acquiring the fee interest in the property was required by the County to comply with the terms of the Government Code section 65865, subdivision (a)." (*Ibid.*)

There is no similar delay in the effective date of the 2013 DA under the Second Amendment. Surland did not need to acquire fee title, or any other legal or equitable interest, in land to be added to the 2013 DA for the agreement to become effective. Under the Second Amendment, the 2013 DA was immediately effective and recorded as of March 2013, giving Surland vested rights for property that Surland had not acquired, was not in the process of acquiring, or had even identified.

We conclude the Second Amendment was not in compliance with section 65865, subdivision (a), and the city abused its discretion in adopting the ordinance approving the Second Amendment.

II

Section 65865.2

Section 65865.2 "identifies the necessary terms in a development agreement, including duration, permitted uses, density of development, size of buildings and dedication of land for public purposes." (*Citizens to Enforce CEQA v. City of Rohnert Park* (2005) 131 Cal.App.4th 1594, 1599; see *Citizens for Responsible Government, supra*, 56 Cal.App.4th at p. 1214.)

The 2013 DA states that it complies with the requirements of section 65865.2: "The duration of this Agreement is set forth in Section 1.06 of this Agreement, and this Agreement sets forth provisions for the permitted uses, the density and intensity of use, the maximum height and size of proposed buildings, and the dedication of land for public purposes in the Applicable Law provisions of this Agreement, either by its terms or through its incorporation of the General Plan and the 2013 Ellis Specific Plan."

The Second Amendment states that Surland "intends to annex to the Ellis Property Owners Association all real property which is subsequently subject to the Development Agreement," and "such other real property *may* adopt the Ellis Specific Plan design and planning standards for all infrastructure and site improvements." (Italics added.)

Thus, with respect to property added to the 2013 DA, the Second Amendment does not set forth the permitted uses, density of development, and size of buildings mandated by section 65865.2 for property subject to the development agreement. In effect, no standards were specified for after-acquired property but only an intention to consider the Ellis Specific Plan specifications. The Second Amendment thus does not comply with section 65865.2.

The city and Surland argue that the section 65865.2 compliance issue is not ripe because no additional property has been acquired by Surland and added to the 2013 DA by the process set forth in sections 1.07(b)(ii) and 1.07(h) of the Second Amendment. We disagree. Whether a development agreement contains required terms is an issue ripe for decision at the time the agreement was adopted. (See *Trancas Property Owners Assn. v. City of Malibu* (2006) 138 Cal.App.4th 172, 182-183 [rejecting the argument that agreement between the city and developer exempting development from compliance with zoning density restrictions was not ripe for review because the development had yet to occur, as the city "has already made impermissible promises and commitments"].)

***7** The city and Surland also claim that the city is entitled to a presumption that an amendment to the property description of the 2013 DA under sections 1.07(b)(ii) and 1.07(h) of the Second Amendment will comply with section 65865.2. "Amendments to development agreements are subject to the provisions of Government Code section 65867.5. (Gov. Code, § 65868.) Legislative enactments such as these 'are presumed to be valid; to overcome this presumption the petitioner must bring forth evidence compelling the conclusion that the ordinance is unreasonable and invalid.' [Citation.]" (*Citizens for Amending Proposition L v. City of Pomona* (2018) 28 Cal.App.5th 1159, 1187.) We have already concluded sections 1.07(b)(ii) and 1.07(h) of the Second Amendment are not in compliance with section 65865 and the city abused its discretion in adopting the ordinance approving the Second Amendment. Any presumption of validity has been overcome. (See *Citizens for Amending Proposition L*, at p. 1187 [evidence that city ordinance and contract it authorized violated Prop. L prohibiting new or structurally altered billboards overcame presumption of validity].)

We conclude that the Second Amendment did not comply with the mandatory requirements of section 65865.2 and, for this reason as well, the city abused its discretion in approving the Second Amendment.

III

Severance

The city and Surland contend that, "[a]ssuming, *arguendo*, the challenged provisions of the Second Amendment are unlawful, the trial court committed prejudicial error by rejecting Appellant's argument that they should be severed," and "invalidating the entirety of the City's legislative approval and the Second Amendment." They argue that the trial court should have severed sections 1.07(b)(ii) and 1.07(h) for three reasons: "(1) Mitracos failed to exhaust administrative remedies as to the other sections; (2) the overbroad ruling violates the separation of powers doctrine; and (3) Sections 1.07(b)(ii) and (h) are severable from the remainder of the Second Amendment and 2013 DA."

In fact, the trial court did not reject the severance argument. Rather, the court simply did not address severance in the statement of decision because it was not raised in the answers Surland and the city filed or their brief in opposition to the petition. The city and Surland first proposed severance in a footnote in their objections to the proposed statement of decision and then again in their motion for new trial.

We conclude that the city and Surland have forfeited the severance issue on appeal. The trial court was not obligated to address objections to the proposed statement of decision premised on new arguments not litigated in the case. (*Starcevic v. Pentech Financial Services, Inc.* (2021) 66 Cal.App.5th 365, 382; *Colony Ins. Co. v. Crusader Ins. Co.* (2010) 188 Cal.App.4th 743, 750 ["A statement of decision ... covers only issues litigated in the case"].) Nor is this court. " 'It is a firmly entrenched principle of appellate practice that litigants must adhere to the theory on which a case was tried.' [Citation.]" (*Colony*, at p. 751.)

A motion for a new trial is also not a vehicle to preserve new theories for appeal. (See *Insurance Co. of State of Pennsylvania v. American Safety Indemnity Co.* (2019) 32 Cal.App.5th 898, 922 ["New theories that could have been raised, but were not, is not one of the causes that permits a new trial"]; *Green v. Healthcare Services, Inc.* (2021) 68 Cal.App.5th 407, 419 [" 'Appellate courts are loath to reverse

a judgment on grounds that the opposing party did not have an opportunity to argue and the trial court did not have an opportunity to consider .... Bait and switch on appeal not only subjects the parties to avoidable expense, but also wreaks havoc on a judicial system too burdened to retry cases on theories that could have been raised earlier' "].)

Moreover, "[w]hether a contract is severable is 'equitable and fact specific, and its application is appropriately directed to the sound discretion of the ... trial courts in the first instance.' [Citation.] Accordingly, it cannot be raised for the first time on appeal ...." (*In re Acknowledgment Cases* (2015) 239 Cal.App.4th 1498, 1509, quoting *Marathon Entertainment, Inc. v. Blasi* (2008) 42 Cal.4th 974, 998 (*Marathon*); see also *Samaniego v. Empire Today, LLC* (2012) 205 Cal.App.4th 1138, 1149.)

***8** In their reply brief, the city and Surland counter "the Court should consider the severance issue regardless of the timing at which it was raised below," because "[i]t is well established that pure questions of law based on undisputed facts may be raised for the first time on appeal." The city and Surland argue two of their severance arguments involve "pure questions of law," i.e., (1) violation of the separation of powers doctrine based on the contents of the writ and the Second Amendment, and (2) contract law severance based on the language of the Second Amendment. While this court has discretion "to consider forfeited arguments that raise pure questions of law," it has no mandatory duty to do so. (*Wittenberg v. Bornstein* (2020) 51 Cal.App.5th 556, 567; *Meridian Financial Services, Inc. v. Phan* (2021) 67 Cal.App.5th 657, 700.) Assuming, for argument's sake, that these are pure questions of law, neither separation of powers principles nor contract law require severance.

Regarding separation of powers, the city and Surland argue that trial court violated separation of powers by interfering with legislative action, i.e., by ordering the city to rescind the ordinance approving the Second Amendment "when the less invasive remedy of invalidating or voiding the ordinance, to the extent it violates the law, is available." (*City of Palo Alto v. Public Employment Relations Bd.* (2016) 5 Cal.App.5th 1271, 1310 [" 'Generally, a court is without power to interfere with purely legislative action, in the sense that it may not command or prohibit legislative acts, whether the act contemplated or done be at the state level [citation] or the local level [citation]. The reason for this is a fundamental one—it would violate the basic constitutional concept of the separation of powers among the three coequal branches of the government' "].) They assert "the trial court should have voided and severed Sections 1.07(b)(ii) and (h) from the Second Amendment ...." We conclude that these provisions do not meet the ultimate determination of severability that the city council still would have adopted the remainder of Second Amendment had it foreseen that these provisions would be invalidated.

"If an invalid provision of an initiative or ordinance is severable, it is stricken from the ordinance and the remaining provisions are given effect. [Citations.] When the ordinance contains a severability clause, an invalid provision is severable if it is grammatically, functionally, and volitionally separable. [Citations.] 'An enactment passes the grammatical test " 'where the language of the statute is mechanically severable, that is, where the valid and invalid parts can be separated by paragraph, sentence, clause, phrase, or even single words. [Citations.].' " [Citation.]' [Citation.] A provision is functionally severable if it is 'capable of independent application. In order to pass this test "[t]he remaining provisions must stand on their own, unaided by the invalid provisions nor rendered vague by their absence nor inextricably connected to them by policy considerations." [Citation.]' [Citations.] The volitional requirement for severability is met if the voters [or legislative body] likely would have adopted the initiative without the invalid provisions. [Citations.]" (*MHC Financing Limited Partnership Two v. City of Santee* (2005) 125 Cal.App.4th 1372, 1393; see also *Rental Housing Assn. of Northern Alameda County v. City of Oakland* (2009) 171 Cal.App.4th 741, 770 [" ' "Although not conclusive, a severability clause normally calls for sustaining the valid part of the enactment, especially when the invalid part is mechanically severable.... The final determination depends on whether the remainder ... is complete in itself and would have been adopted by the legislative body had the latter foreseen the partial invalidity of the statute ... or constitutes a completely operative expression of the legislative intent ... [and is not] so connected with the rest of the statute as to be inseparable" ' "].)

***9** Neither Ordinance No. 1253 approving the Second Amendment, nor the Second Amendment itself, contain a severability clause. The 2013 DA, however, does.[6] Assuming, for argument's sake, that this clause is applicable, it is highly questionable whether the city council would have even been afforded the opportunity to adopt an ordinance approving an amendment that required Surland to build the

swim center, if the parties foresaw that sections 1.07(b)(ii) and 1.07(h) would be invalidated. The Second Amendment was a trade-off of a very substantial increase in Surland's commitment to build the swim center for vested rights for development of property yet to be acquired.[7] The Second Amendment expressly stated that its purpose was "to expand the scope of the proposed Development Agreement amendment to provide for Owner [Surland] to assume the obligation to design and construct the proposed Swim Center, and to describe a process by which other real property could become subject to the Development Agreement ...." Surland agreed to design and construct the swim center and increase its funding commitment to $35 million, over and above the $8 million second installment payment required by the 2013 DA, plus a contingency fund of up to 20 percent of the $45 million total estimated costs to complete the center. In return, Surland received vested rights to add property to the 2013 DA and use the RGAs allocated in the 2013 DA outside the Ellis Specific Plan property. To be sure, Surland has joined with the city in advocating severance on appeal, but the notion that Surland intends to undertake a more than four-fold increase in expense to build the swim center without the vested rights conferred by sections 1.07(b)(ii) and 1.07(h) is inconsistent with the fundamental structure of the Second Amendment.

Application of contract law severance principles yields the same result for a similar reason: the vested rights illegal under the statute are central to the agreement. " ' "Courts are to look to the various purposes of the contract. If the central purpose of the contract is tainted with illegality, then the contract as a whole cannot be enforced. If the illegality is collateral to the main purpose of the contract, and the illegal provision can be extirpated from the contract by means of severance or restriction, then such severance and restriction are appropriate." ' " (*Koenig v. Warner Unified School Dist.* (2019) 41 Cal.App.5th 43, 56 (*Koenig*), quoting *Marathon, supra*, 42 Cal.4th at p. 996.)

Here, " ' "the central purpose of the contract is tainted with illegality." ' " (*Koenig, supra*, 41 Cal.App.5th at p. 56.) The exchange of design and construction services and increased funding for the swim center from Surland in return for vested rights to add property to the 2013 DA and to use RGAs outside the Ellis Specific Plan area constitutes the central purpose of the Second Amendment. Indeed, the Second Amendment states: "This amendment is *designed* to permit additional property to be added to and incorporated in to the Development Agreement and therefore become Property of the Development Agreement, and Owner [Surland] may apply for RGAs for Projects and home builders within the Property (whether or not annexed to the [Ellis Specific Plan]) area." (Italics added.) Thus, the central purpose of the Second Amendment, and the consideration Surland received under the amendment, were illegal under sections 65865 and 65865.2. Accordingly, the Second Amendment was not severable.

IV

Attorney Fees Incurred on Appeal

In the statement of decision, the trial court determined that Mitracos should recover attorney fees under Code of Civil Procedure section 1021.5. Mitracos contends she is also entitled to recover attorney fees connected with this appeal under the same statute.

"When a contract or a statute authorizes the prevailing party to recover attorney fees, that party is entitled to attorney fees incurred at trial and on appeal. [Citations.]" (*Douglas E. Barnhart, Inc. v. CMC Fabricators, Inc.* (2012) 211 Cal.App.4th 230, 250 (*Barnhart*); *Del Cerro Mobile Estates v. Proffer* (2001) 87 Cal.App.4th 943, 951.) Courts have awarded under Code of Civil Procedure section 1021.5 attorney fees incurred on an appeal, even though that statute does not expressly state that the prevailing party is entitled to attorney fees on appeal. (*Morcos v. Board of Retirement* (1990) 51 Cal.3d 924, 927, 928, fn. 5; *Serrano v. Unruh* (1982) 32 Cal.3d 621, 637, 639.)

***10** Therefore, on remand, the trial shall determine the amount of attorney fees reasonably incurred in defending this appeal, and include that amount in its order awarding Mitracos attorney fees. (*Barnhart, supra*, 211 Cal.App.4th at p. 250.)

DISPOSITION

The matter is remanded to the trial court to determine the amount of attorney fees Mitracos reasonably incurred in defending against this appeal and include that amount in the fees award under Code of Civil Procedure section 1021.5. The

judgment is otherwise affirmed. Mitracos shall also recover her costs on appeal. (Cal. Rules of Court, rule 8.278(a)(1) & (2).)

We concur:

BLEASE, J.

KRAUSE, J.

All Citations

Not Reported in Cal.Rptr., 2022 WL 1536636

Footnotes

1 Government Code section 65865, subdivision (a), provides: "Any city, county, or city and county, may enter into a development agreement with any person having a legal or equitable interest in real property for the development of the property as provided in this article."

Government Code section 65865.2 provides in relevant part: "A development agreement shall specify the duration of the agreement, the permitted uses of the property, the density or intensity of use, the maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes."

All undesignated statutory references are to the Government Code.

2 At the time, Surland did not own all the property in the Ellis Specific Plan area.

3 The first amendment to the 2013 DA extended the time (1) for Surland to make the first installment payment to fund the swim center, and (2) for the city to accept Surland's land dedication offer.

4 Mitracos also alleged a claim for civil contempt, contending that the city and Surland willfully disobeyed the trial court's 2011 order by entering into and implementing the Second Amendment. The city and Surland have not appealed the trial court's rulings on contempt.

5 Section 65868 provides: "A development agreement may be amended, or canceled in whole or in part, by mutual consent of the parties to the agreement or their successors in interest. Notice of intention to amend or cancel any portion of the agreement shall be given in the manner provided by Section 65867. An amendment to an agreement shall be subject to the provisions of Section 65867.5." Section 65867 requires public notice and hearing by the local government planning commission and legislative body on a proposal to adopt a development agreement. Section 65867.5, subdivision (a) provides: "A development agreement is a legislative act that shall be approved by ordinance and is subject to referendum."

6 The 2013 DA states: "Should any part, term or provision of this Agreement or any document required herein to be executed or delivered be declared invalid, void or unenforceable, all remaining parts, terms and provisions hereof shall remain in full force and effect and shall no way be invalidated, impaired or affected thereby."

7 "In 1984, the Legislature added a declaration that development agreements would also allow municipalities to extract promises from the developers concerning financing and construction of necessary infrastructure." (*Mammoth Lakes, supra*, 191 Cal.App.4th at pp. 443-444; see also Miller & Starr, Cal. Real Estate (4th ed. 2021) § 21:29 ["In effect, the public entity agrees to 'freeze' the zoning, planning, and other ordinances applicable to the property and allow development to proceed under the then-existing laws and ordinances, and in exchange the public entity may bargain for financial and other concessions and public benefits from the developer parties"].)

End of Document

© 2023 Thomson Reuters. No claim to original U.S. Government Works.

BINDING LETTER OF INTENT TO LEASE

PREMISES: 2227 James Ave #5, South Lake Tahoe, CA 96150, a suite in a warehouse building containing approximately 2,500 SF.

LESSEE: Perfect Union SLT, LLC

LESSOR: Michael McKeen

AGREED USE: Cannabis retail dispensary, distribution, nursey, including a cannabis microbusiness

***TERMS*:**

a) Seven (7) year initial term, with Lease and rent commencement date beginning upon and subject to Lessee's receipt of a cannabis business permit.

c) If Lessee is not in default of the Lease, then Lessor grants to Lessee Two (2) seven-year options to extend the lease. Lessee must express its intent to exercise each renewal option to Lessor in writing no less than sixty (60) days prior to the Lease Expiration Date.

e) The Lease shall be null, void, and of no effect in the event that the Lessee does not receive the cannabis business permit.

OWNER CONSENT: Lessor shall cooperate with Lessee in the course of the applying for the cannabis business permits including providing authorization of consent allowing a cannabis business at the Premises.

BASE LEASE RATE: $9,000.00 per month with 1.5% increases per year.

DEPOSIT: Lessee shall pay $9,840.99 to Lessor upon the formal Lease agreement executed by all Parties.

LEASE AGREEMENT: The Lease shall be prepared by Lessor and provided to Lessee. The Lease will contain, in addition to the provisions specifically described herein, standard representations, warranties, covenants, indemnification, and other provisions appropriate for a transaction of the type contemplated herein. Until execution of a Lease, this Agreement is deemed by the Parties to be binding and controlling and enforceable in law and in equity.

ACCEPTED AND AGREED TO BY:

LESSOR	**LESSEE**
	PERFECT UNION SLT, LLC
By: _____	By: _____
Name: Michael McKeen	Name:
Date: 4/4/2019	Title:
	Date:

April 4, 2019

Michael McKeen
mmckeen.ca@gmail.com

Re: Side Letter Agreement Re Lease dated December 14, 2018

Dear Mr. McKeen:

Reference is made to the lease for the commercial real property located at 2227 James Ave #5, South Lake Tahoe, CA 96150 entered into by and between Michael McKeen ("Lessor"), on the one hand, and Melissa Sanchez and Rick Lobley ("Lessee"), on the other hand (the "Lease"). This Side Letter sets forth the understanding between Lessor and Lessee.

Specifically, while for purposes of the Lessee's cannabis business license application for the city of South Lake Tahoe it was necessary to enter into a binding real estate letter of intent ("RELOI") (attached), Lessor and Lessee agree that the Lease remains in full force and effect and the RELOI has no effect on the terms of the lease. The RELOI is null and void. For the avoidance of doubt, Lessor and Lessee acknowledge and understand that the Lease is the sole valid agreement between the parties.

This Side Letter constitutes the entire agreement between Lessor and Lessee with respect to the subject matter covered herein. This Side Letter is an integrated agreement. The terms of this Side Letter are contractual and are not merely recitals. This Side Letter may not be altered, amended or extinguished, except by a writing which expressly refers to this Side Letter and which is signed subsequent to the execution of this Side Letter by the party or parties to any such alteration, amendment or extinguishment, or their successors-in-interest. Any such alteration, amendment or extinguishment must be executed by the party against whom enforcement is sought.

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER THIS SIDE LETTER FOR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING WITHOUT LIMITATION, LOST PROFITS, HOWEVER ARISING, EVEN IF THE PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE AS LONG AS THE PARTIES ACTED IN GOOD FAITH. THIS PARAGRAPH ALLOCATES THE RISKS BETWEEN THE PARTIES UNDER THIS SIDE LETTER. THIS ALLOCATION IS AN INTRINSIC PART OF, AND THE BASIS OF, THE BARGAIN BETWEEN THE PARTIES AND WITHOUT SUCH ALLOCATION, THE PARTIES WOULD NOT HAVE ENTERED INTO THIS SIDE LETTER. THE LIMITATIONS, EXCLUSIONS AND DISCLAIMERS CONTAINED IN THIS PARAGRAPH APPLY TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EVEN IF ANY REMEDY (INCLUDING ANY LIMITED OR EXCLUSIVE REMEDY) PROVIDED FOR IN THIS SIDE LETTER FAILS IN ITS ESSENTIAL PURPOSE.

Any dispute whatsoever relating to the interpretation, validity or performance of this Side Letter, or any dispute arising out of this Side Letter which is not resolved within the thirty (30) day period commencing upon receipt of written notice by either party from the other party, shall be settled by binding and final arbitration before a single arbitrator. The arbitration shall be conducted in accordance with JAMS Comprehensive Arbitration Rules and Procedures (the "JAM Rules"). This Side Letter shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be performed wholly within that state.

Please indicate your acceptance of the terms and conditions of this Side Letter by signing in the space marked below. For clarity, by signing below, you acknowledge and agree that you have carefully read this Side Letter (along with all other agreements referenced herein) in its entirety; fully understand and agree to its terms and conditions; had a reasonable opportunity to consult with legal counsel; and intend and agree that it be final and legally binding on you. This Side Letter may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

Sincerely,

Melissa Sanchez Rick Lobley

ACKNOWLEDGED AND AGREED:

On this 4th day of April 2019, I, Michael McKeen, acknowledge that I have read the Side Letter. Having had the opportunity to consult with my legal counsel, I acknowledge and agree to the terms and conditions of the Side Letter on my own behalf.

_____

Name: Michael McKeen

CONDITIONAL ASSIGNMENT OF MEMBERSHIP INTEREST

PERFECT UNION SLT, LLC

Pursuant to that certain CONDITIONAL AGREEMENT FOR PURCHASE AND SALE OF MEMBERSHIP INTEREST PERFECT UNION SLT, LLC dated April 4, 2019, SCOTT PETERS and LEON ABRAVANEL hereby expressly transfer, convey and assign Ninety-Five Percent (95%) of their membership interest in Perfect Union SLT, LLC, a California limited liability Company ("Company") to MWG HOLDINGS GROUP, INC., and SLT JAMES, LLC in equal shares of 47.5% each. This transfer shall take affect automatically upon issuance of a Cannabis Micro Business License to the Company by the City of South Lake Tahoe. SCOTT PETERS and LEON ABRAVANEL shall take any and all necessary and further action to consummate this transaction. SCOTT PETERS and LEON ABRAVANEL hereby appoint MWG MANAGER as their attorney-in-fact for the sole purpose of amending the Operating Agreement to reflect the new ownership structure of the Company.

SELLER:

Scott Peters

SCOTT PETERS

Leon Abravanel

LEON ABRAVANEL

BUYER:

MWG HOLDINGS GROUP, INC.

By: _____

DAVID M. SPRADLIN

Its: President

SLT JAMES, LLC

By: Melissa Sanchez

MELISSA N. SANCHEZ

Its: Manager

DocuSign Envelope ID: 4A968798-0938-4AD1-9B6A-9D30AA33EEE9

AGREEMENT OF PURCHASE AND SALE OF MEMBERSHIP INTEREST

dated as of November 25, 2020

By and Among

2227 SLT LLC,
a California limited liability company

and

SCOTT PETERS

and

LEON ABRAVANEL

DocuSign Envelope ID: 4A968798-0938-4AD1-9B6A-9D30AA33EEE9

AGREEMENT OF PURCHASE AND SALE OF MEMBERSHIP INTEREST OF PERFECT UNION SLT, LLC

This AGREEMENT OF PURCHASE AND SALE OF MEMBERSHIP INTEREST ("**Agreement**") is entered into as of November 25, 2020 (the "**Effective Date**"), by and between SCOTT PETERS, individually, and LEON ABRAVANEL, individually (collectively, "**Seller**"), and 2227 SLT LLC, a California limited liability company ("**Buyer**"). Seller and Buyer are sometimes collectively referred to herein as the "**Parties**," and, individually, as a "**Party**."

ARTICLE I
RECITALS

1.1 Limited Liability Company. PERFECT UNION SLT LLC, is a California limited liability company (the "**LLC**").

1.2 Subject Membership Interest. Collectively, Seller owns one hundred percent (100%) of the outstanding membership interests in the LLC (the "**Membership Interest**"). Seller desires to sell ninety-nine percent (99%) of their Membership Interest in the LLC to Buyer (the "**Subject Membership Interest**") on the terms and conditions outlined in this Agreement. Buyer desires to purchase the Subject Membership Interest from Seller on those terms and conditions. The LLC desires that this transaction be consummated.

1.3 Remaining Interest. Buyer shall purchase Seller's remaining one percent (1%) Membership Interest in the LLC (the "**Remaining Interest**"), for fair market value, upon receipt of approval by the City of South Lake Tahoe to the complete removal of Seller from the LLC and the Permit (as defined below). Buyer desires to purchase the Remaining Interest from Seller on the terms and conditions set forth in this Agreement. The LLC desires that this transaction be consummated. The Subject Membership Interest and the Remaining Interest are collectively referred to herein as the "**Entire Interest**."

1.4 Purpose. In consideration of the mutual agreements, representation, warranties, and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as provided herein.

ARTICLE II
PURCHASE OF SUBJECT MEMBERSHIP INTEREST

2.1 Purchase and Sale of Membership Interest. On the terms and conditions of this Agreement, at the Closing and effective as of the Closing Date (each as defined in Article IV, below), Seller hereby sells, assigns, transfers, delivers, and conveys to Buyer pro rata, and Buyer hereby purchases, acquires and accepts from Seller pro rata, all of Seller's right, title, and interest in and to the Subject Membership Interest.

2.2 Purchase Price. The purchase price for the Subject Membership Interest shall be the sum of One Hundred Thousand and 00/100 Dollars ($100,000.00) (the "**Purchase Price**").

DocuSign Envelope ID: 4A968798-0938-4AD1-9B6A-9D30AA33EEE9

2.3 Payment Terms. Fifty percent (50%) of the Purchase Price shall be delivered to Seller by cashier's check or wire on the earlier to occur of: (i) December 23, 2020 or (ii) that date that is three (3) business days following receipt of approval by the City of South Lake Tahoe to the addition of Buyer to the Permit (as defined below). The remaining fifty percent (50%) of the Purchase Price shall be delivered to Seller by cashier's check or wire on or before that date that is six (6) months following the opening of a cannabis dispensary by the LLC or an affiliate entity in connection with the Permit. For purposes of this Agreement, "opening" shall mean that day on which the LLC opens for full and unrestricted public access (not limited to, a soft opening with restricted and/or limited access to the public).

2.4 Determination of Fair Market Value. The fair market value of the Remaining Interest shall be determined by a nationally or locally recognized investment banking, accounting or valuation firm jointly selected by Buyer and Seller. The determination of such firm shall be final and conclusive, and the fees and expenses of such valuation firm shall be borne by the LLC.

ARTICLE III
OBLIGATIONS ON OR BEFORE CLOSING

3.1 Information to be Held in Confidence. The Parties agree that, until the Closing has been consummated, the Parties and their representatives will hold in strict confidence and will not use to the detriment of any other Party any/all data and information obtained in connection with this transaction or Agreement with respect to the business of the LLC.

3.2 Micro Business Permit Obtained. The Parties agree that on or prior to the Closing, the LLC has obtained a Micro Business Retail, Distribution and Nursery Permit from the City of South Lake Tahoe (the "**Permit**").

ARTICLE IV
CLOSING

4.1 Closing. The Closing of the sale of the Subject Membership Interest as contemplated by this Agreement (the "**Closing**") shall take place upon mutual execution of this Agreement (the "**Closing Date**").

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF BUYER

As a material inducement to Seller to enter into this Agreement, Buyer represents and warrants to Seller as follows:

5.1 Authorization. Buyer has full power and authority to enter into this Agreement and perform his obligations hereunder. This Agreement constitutes the duly authorized, valid and binding obligation of Buyer, enforceable against him in accordance with its terms and that this Agreement and all other agreements and documents executed and delivered by Buyer hereunder constitute a legal, valid, and binding obligation, enforceable against Buyer in accordance with their terms.

DocuSign Envelope ID: 4A968798-0938-4AD1-9B6A-9D30AA33EEE9

5.2 Brokers and Finders. Buyer has not retained any broker, finder or other financial intermediary in connection with the transactions contemplated by this Agreement.

5.3 Organization and Authority of Buyer. Buyer is a limited liability company duly organized, validly existing and in good standing under the Laws of the state of California. Buyer has all necessary limited liability company power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by Buyer of this Agreement, the performance by Buyer of its obligations hereunder and the consummation by Buyer of the transactions contemplated hereby have been duly authorized by all requisite limited liability company action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Agreement constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

5.4 Investment Purpose. Buyer is acquiring the Subject Membership Interest solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Buyer acknowledges that the Subject Membership Interest is not registered under the Securities Act of 1933, as amended, or any state securities laws, and that the Subject Membership Interest may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable. Buyer is able to bear the economic risk of holding the Subject Membership Interest for an indefinite period (including total loss of its investment), and has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risk of its investment.

5.5 Sufficiency of Funds. Buyer has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Purchase Price and consummate the transactions contemplated by this Agreement.

5.6 Legal Proceedings. There are no actions, suits, claims, investigations or other legal proceedings pending or, to Buyer's knowledge, threatened against or by Buyer or any affiliate of Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

5.7 Investigation. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has relied solely upon the express representations and warranties of Seller set forth in this Agreement (including the related portions of the Disclosure Schedule); and (b) none of Seller, the LLC or any other person has made any representation or warranty as to Seller, the LLC or this Agreement, except as expressly set forth in this Agreement (including the related portions of the Disclosure Schedules).

DocuSign Envelope ID: 4A968798-0938-4AD1-9B6A-9D30AA33EEE9

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF SELLER

As a material inducement to Buyer to enter into this Agreement, Seller represents and warrants to Buyer as follows:

6.1 Membership Interest. Seller is the record and beneficial owner of the Membership Interest, has and will have until Closing, good and marketable title to the Membership Interest, and has full right, power, and authority to sell and transfer the Membership Interest to Buyer as provided for in this Agreement. Further, Seller represents and warrants to Buyer that the Membership Interest is free and clear of any and all liens, security interests, encumbrances, or claims whatsoever, and that this Agreement and all other agreements and documents executed and delivered by Seller hereunder constitute a legal, valid, and binding obligation, enforceable against them in accordance with their terms.

6.2 Organization, Good Standing and Qualification. The LLC is duly organized, validly existing, and in good standing under the laws of California, has all necessary corporate powers to own its properties and to carry on its business as now owned and operated by it, and is duly qualified to transact intrastate business and is in good standing in all jurisdictions in which the nature of its business or of its properties makes such qualification necessary.

6.3 Ownership Structure. The ownership structure of the LLC prior to this transfer is as follows: 50% Scott Peters and 50% Leon Abravanel. There are no outstanding subscriptions, options, rights, warrants, convertible securities, or other agreements or commitments obligating Seller to issue or to transfer any membership interests.

6.4 Brokers and Finders. Seller has not retained any broker, finder or other financial intermediary in connection with the transactions contemplated by this Agreement. Seller has not retained any broker, finder or other financial intermediary to sell any portion of his stock.

6.5 Corporate Documents. Seller has furnished to Buyer for its examination (i) copies of the Articles of Organization of the LLC; (ii) the Operating Agreement and any subsequent amendments; and (ii) the minute books of the LLC containing all records required to be set forth of all proceedings, consents, actions and meetings of the Members of the LLC.

6.6 Personnel Identification and Compensation. There are no parties employed by the LLC. No compensation is owed to any individual in connection with work performed for the LLC except as otherwise stated in this Agreement.

6.7 No Violations. Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor the incurrence of the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or will result in a material breach of any term, condition or provision of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Seller is a party.

DocuSign Envelope ID: 4A968798-0938-4AD1-9B6A-9D30AA33EEE9

6.8 No Actions. Except as set forth in Schedule 1, there are no actions, debts, liabilities, outstanding contracts, obligations, suits, proceedings, or claims due, pending, or, to the best of Seller's knowledge, threatened against Seller or the LLC that would come due, would affect Seller's ability to fulfill their obligations under this Agreement or that would impair the value of the Subject Membership Interest.

6.9 Covenant Not to Compete. Seller hereby agrees that they shall not, either directly or indirectly, carry on or engage in the operation of a cannabis dispensary within the City of South Lake Tahoe, California through April 30, 2021.

ARTICLE VII
MUTUAL ADDITIONAL COVENANTS

From time to time prior to and after Closing, at the request of any Party and without further consideration, the other Party shall execute and deliver any further instruments or documents and take such other actions as may be reasonably necessary to carry out the transactions contemplated under this Agreement.

ARTICLE VIII
CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to fulfillment, prior to Closing, of the following conditions, which conditions may be waived only in a writing signed by Buyer.

8.1 Representations and Warranties. The representations and warranties of Seller contained in Article VI shall be true and correct on and as of the Closing Date with the same force and effect as though made on and as of such Closing Date.

8.2 Performance. All of the terms, conditions, and covenants of this Agreement to be complied with, performed, and satisfied by Seller on or before the Closing shall have been complied with, performed, and satisfied.

ARTICLE IX
CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER

The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to fulfillment, prior to the Closing, of each of the following conditions, any of which may be waived only in a writing signed by Seller.

9.1 Representations and Warranties. The representations and warranties of Buyer contained in Article V shall be true and correct on and as of the Closing Date with the same force and effect as though made on and as of such Closing Date.

DocuSign Envelope ID: 4A968798-0938-4AD1-9B6A-9D30AA33EEE9

9.2 Performance. All of the terms, conditions, and covenants of this Agreement to be complied with, performed, and satisfied by Buyer on or before the Closing shall have been complied with, performed, and satisfied.

ARTICLE X
MANAGER

Seller hereby appoints Buyer as Manager of the LLC as of the Effective Date, with all powers and authority as set forth in the LLC's Operating Agreement, as amended. Seller agrees not to remove Buyer from the position of Manager without court order.

ARTICLE XI
INDEMNITY

11.1 Buyer shall indemnify, defend and hold Seller harmless from and against any and all losses, costs, damages, claims, liabilities, or expenses, including reasonable attorney fees, expert fees and costs, in any way arising from or related to: (a) the matters disclosed on the attached Schedule 1; and (b) any inaccuracy or breach of any warranties made by Buyer under this Agreement. Seller shall jointly and severally indemnify, defend and hold Buyer harmless from and against any and all losses, costs, damages, claims, liabilities, or expenses, including reasonable attorney fees, expert fees and costs, in any way arising from or related to any inaccuracy or breach of any warranties made by Seller under this Agreement. With the exception of the respective indemnity obligations contained in this Agreement, Buyer and Seller hereby release all other claims they have against each other as of the Closing Date, and waive application of California Civil Code section 1542, or any similar, comparable, or equivalent law(s) of the United States, law of a state or territory of the United States, or principles of common law. California Civil Code section 1542 provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Buyer and Seller understand and acknowledge that the significance and consequence of this waiver of California Civil Code section 1542 and all similar, comparable, or equivalent laws is that even if they should eventually suffer damages arising from the LLC, which is the subject of this Agreement, they will not be able to make any claim for those damages. Buyer and Seller acknowledge that this release applies to claims for damages that may exist as of the date of this Agreement, but which Buyer and Seller do not know to exist and which, if known, would materially affect Buyer and Seller's decision to execute this Agreement.

DocuSign Envelope ID: 4A968798-0938-4AD1-9B6A-9D30AA33EEE9

ARTICLE XII
GENERAL

12.1 Cooperation. The Parties shall all cooperate in good faith to do all additional acts reasonably necessary to complete the transactions contemplated by this and the related agreements but not specifically provided for herein or therein, including prompt execution of the extension of the Permit with the City of South Lake Tahoe and transfer of the Permit.

12.2 Successors and Assigns. This Agreement and the rights of the Parties hereunder may not be assigned without the prior written consent of the non-assigning party, which consent the non-consenting party may give or withhold in its absolute discretion, and shall be binding upon and shall inure to the benefit of the Parties hereto, their successors, and permitted assigns.

12.3 Entire Agreement. This Agreement (which includes the Exhibits, documents and instruments referred to herein and therein) constitutes the entire agreement and understanding among the Parties with respect to the subject matter hereof and supersedes all prior and current understandings and agreements, whether written or oral, with respect to such subject matter. This Agreement may be modified or amended only by written instrument executed by the Parties.

12.4 Counterparts. This Agreement may be executed in any number of counterparts that together shall constitute one instrument.

12.5 Notices. All notices, demands, or communications required or permitted hereunder shall be in writing. Any notice, demand, or other communication given under this Agreement shall be deemed to be given if given in writing (including telex, telecopy, or similar transmission) addressed as provided below (or at such other address as the addressee shall have specified by notice actually received by the addresser) and if either: (a) actually delivered in fully legible form, to such address (evidenced in the case of a telex by receipt of the correct answerback); or (b) in the case of a letter, three (3) days shall have elapsed after the same shall have been deposited in the United States mails, with first-class postage prepaid and registered or certified.

If to Seller:
Leon Abravanel / Scott Peters
10280 Donner Pass Road
Truckee, CA 96161
Email: leondontahoe@gmail.com

If to Buyer:
2227 SLT LLC
Attn: Melissa Sanchez
1017 L Street #275
Sacramento, CA 95814
Email: melissa@harvestlaw.com

12.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without reference to conflicts of laws principles.

DocuSign Envelope ID: 4A968798-0938-4AD1-9B6A-9D30AA33EEE9

12.7 Exercise of Rights and Remedies/Waivers. No delay of or omission in the exercise of any right, power, or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power, or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of any similar breach or default occurring later; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

A. A waiver or breach of covenant or provision of this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement, and no waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act.

12.8 No Third-Party Beneficiaries. This Agreement is not intended to be for the benefit of and shall not be enforceable by any person who or which is not a party hereto (or a permitted assign or successor to such party).

12.9 Drafting/Interpretation. As this Agreement has been negotiated, it shall not be construed as if it had been prepared by one of the parties, but rather as if all parties have prepared it.

12.10 Dispute Resolution. **ANY CONTROVERSY, CLAIM, ACTION OR DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER SECURED DOCUMENT SHALL BE SUBJECT TO NON-BINDING MEDIATION. IF THE PARTIES HERETO CANNOT RESOLVE THE MATTER THROUGH MEDIATION, THEN SUCH MATTER SHALL BE HEARD BY JUDICIAL REFERENCE PURSUANT TO THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 THROUGH 645.1, INCLUSIVE, ACCORDING TO THE FOLLOWING PROCEDURES:**

THE PARTIES SHALL AGREE UPON A SINGLE REFEREE WHO SHALL THEN TRY ALL ISSUES, WHETHER OF FACT OR LAW, AND REPORT A FINDING AND JUDGMENT THEREON. IF THE PARTIES ARE UNABLE TO AGREE UPON A REFEREE WITHIN TEN (10) DAYS OF A WRITTEN REQUEST TO DO SO BY ANY PARTY, THEN ANY PARTY MAY THEREAFTER SEEK TO HAVE A REFEREE APPOINTED PURSUANT TO THE LOCAL JURISDICTION'S EQUIVALENT OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 AND 640.

THE PARTIES AGREE THAT THE REFEREE SHALL HAVE THE POWER TO DECIDE ALL ISSUES OF FACT AND LAW AND REPORT HIS/HER DECISION THEREON, AND TO ISSUE ALL LEGAL AND EQUITABLE RELIEF APPROPRIATE UNDER THE CIRCUMSTANCES OF THE CONTROVERSY BEFORE HIM/HER; PROVIDED, HOWEVER, THAT TO THE EXTENT THE REFEREE IS UNABLE TO ISSUE AND/OR ENFORCE ANY SUCH LEGAL AND EQUITABLE RELIEF, EITHER PARTY MAY PETITION THE COURT TO ISSUE AND/OR ENFORCE SUCH RELIEF ON THE BASIS OF THE REFEREE'S DECISION;

THE LOCAL JURISDICTION'S EQUIVALENT OF CALIFORNIA EVIDENCE CODE RULES OF EVIDENCE AND PROCEDURE RELATING TO THE CONDUCT OF THE HEARING, EXAMINATION OF WITNESSES AND PRESENTATION OF EVIDENCE SHALL APPLY;

ANY PARTY DESIRING A STENOGRAPHIC RECORD OF THE HEARING MAY SECURE A COURT REPORTER TO ATTEND THE HEARING; PROVIDED THE REQUESTING PARTY NOTIFIES THE OTHER PARTIES OF THE REQUEST AND PAYS FOR THE COSTS INCURRED BY THE COURT REPORTER;

THE REFEREE SHALL ISSUE A WRITTEN STATEMENT OF DECISION WHICH SHALL BE REPORTED TO THE COURT IN ACCORDANCE WITH THE LOCAL JURISDICTION'S EQUIVALENT OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 643 AND SHALL BE PROMPTLY MAILED TO THE PARTIES;

JUDGMENT MAY BE ENTERED ON THE DECISION OF THE REFEREE IN ACCORDANCE WITH THE LOCAL JURISDICTION'S EQUIVALENT OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 644, AND THE DECISION MAY BE EXCEPTED TO, CHALLENGED AND APPEALED ACCORDING TO LAW;

THE PARTIES SHALL PROMPTLY AND DILIGENTLY COOPERATE WITH ONE ANOTHER AND THE REFEREE, AND SHALL PERFORM SUCH ACTS AS MAY BE NECESSARY TO OBTAIN A PROMPT AND EXPEDITIOUS RESOLUTION OF THE DISPUTE OR CONTROVERSY IN ACCORDANCE WITH THE TERMS HEREOF; AND

THE COST OF SUCH PROCEEDING, INCLUDING BUT NOT LIMITED TO THE REFEREE'S FEES, SHALL INITIALLY BE BORNE EQUALLY BY THE PARTIES TO THE DISPUTE OR CONTROVERSY. HOWEVER, THE PREVAILING PARTY IN SUCH PROCEEDING SHALL BE ENTITLED, IN ADDITION TO ALL OTHER COSTS, TO RECOVER ITS CONTRIBUTION FOR THE COST OF THE REFERENCE AND ITS REASONABLE ATTORNEYS' FEES AS ITEMS OF RECOVERABLE COSTS.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF OR RELATING TO THIS AGREEMENT TO JUDICIAL REFERENCE.

DS MS DS DS

Buyer **Seller**

12.11 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred; **provided, however, that Buyer shall be responsible for all filing and other similar**

DocuSign Envelope ID: 4A968798-0938-4AD1-9B6A-9D30AA33EEE9

fees payable in connection with any filings or submissions required to extend the Permit deadline.

12.12 Survival of Representations and Warranties. The covenants, representations and warranties of the Parties set forth in this Agreement shall the Closing.

12.13 Severability. If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected.

12.14 Construction. The section headings and captions of this Agreement are, and the arrangement of this instrument is, for the sole convenience of the Parties to this Agreement. The section headings, captions, and arrangement of this instrument do not in any way affect, limit, amplify, or modify the terms and provisions of this Agreement. The singular form shall include plural, and vice versa. Unless otherwise indicated, all references to sections are to this Agreement. All exhibits referred to in this Agreement are attached to it and incorporated in it by this reference.

12.15 Time of the Essence. Time is of the essence in this Agreement.

12.16 Facsimile or Electronic Signature. Facsimile or electronic signatures shall be treated as originals for all purposes with respect to this Agreement. "Hard copy" of ink signatures shall promptly follow facsimiles by regular mail.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date defined in the introductory paragraph hereof and otherwise on the terms and conditions hereof.

SELLER:

DocuSigned by:

52A07518AD754EC...

SCOTT PETERS

DocuSigned by:

4DAF81F5FBB044C...

LEON ABRAVANEL

BUYER:

2227 SLT LLC,
a California limited liability company

DocuSigned by:

Melissa Sanchez

8616B5E6494141E...

By:
Name: Melissa Sanchez
Title: Manager

DocuSign Envelope ID: 4A968798-0938-4AD1-9B6A-9D30AA33EEE9

SCHEDULE 1

DISCLOSURE SCHEDULE

1. Potential legal action by MWG Holdings Group, Inc., a California corporation ("MWG") against the LLC to recover Permit application costs, and costs associated with leasehold improvements.

2. A mechanic's lien was recorded against the LLC and the premises located at 2227 James Street, South Lake Tahoe, CA by SSW Construction Corp., a California corporation ("SSW") to collect approximately $90,000.00 for services furnished.

3. Seller advises Buyer to file an extension of the Permit with the City of South Lake Tahoe as soon as reasonable possible. Note, the renewal requires that the LLC deposit a retainer in the amount of $22,018.00 with the City of South Lake Tahoe.

Column

INTERIM AD DRAFT

This is the proof of your ad scheduled to run in **Tahoe Daily Tribune** on the dates indicated below. If changes are needed, please contact us prior to deadline at **(530) 541-3880**.

Notice ID: YBVeskd80MshabEL5Ve3 | **Proof Updated: Jul. 06, 2023 at 08:54am PDT**
Notice Name: ORD 2023 Perfect Union Recission

See Proof on Next Page

This is not an invoice. Below is an estimated price, and it is subject to change. You will receive an invoice with the final price upon invoice creation by the publisher.

FILER	FILING FOR
Jo Mcdonough	Tahoe Daily Tribune
jmcdonough@cityofslt.us	
(530) 542-6005	

Columns Wide: 1

Ad Class: Legals

07/07/2023: Other	119.81
Affidavit flat charge	4.00
Internet Flat Fee Charge	40.00

Subtotal	$163.81
Tax	$0.00
Total	**$163.81**

LEGAL PUBLICATION

CITY OF SOUTH LAKE TAHOE
SUMMARY OF PROPOSED ORDINANCE

NOTICE IS HEREBY GIVEN that on June 20, 2023, the City of South Lake Tahoe City Council waived first reading, read by title and referred to second reading and adoption at the August 8, 2023 City Council meeting of the following ordinance:

"An Ordinance Confirming Termination and Rescission of Development Agreement with Perfect Union SLT, LLC"

City Attorney's Summary of Ordinance:

"This ordinance would confirm that Perfect Union SLT, LLC breached its Development Agreement to operate a cannabis microbusiness at 2227 James Avenue, Suite 5, by failing to obtain all subsequent approvals and be open for business by the deadline of February 13, 2021, and additionally by attempting to and/or actually selling and transferring 99 percent of the local owners' interest in the LLC on November 25, 2020, and by falsely representing and warranting at the time of its application and execution of the Development Agreement that it had a 'legal, possessory, or other equitable interest' in 2227 James Avenue, Suite 5, and accordingly confirm termination and rescission of the Development Agreement on these grounds."

A copy of the proposed ordinance in its entirety is available for review in the City Clerk's Office located at 1901 Lisa Maloff Way, South Lake Tahoe, California.

To receive an electronic copy, contact the City Clerk at sblankenship@cityofslt.us

Susan Blankenship
Susan Blankenship
City Clerk
City of South Lake Tahoe
1901 Lisa Maloff Way, Ste 206
South Lake Tahoe, Ca 96150
(530) 542-6005

Published: July 7, 2023

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 8

Agenda Item: Community Development Block Grant CV 1 Subrecipient Agreement and Scope of Work for the Boys and Girls Club of Lake Tahoe

Executive Summary: On September 7, 2021, the Council approved Subrecipients Agreement with the Boys and Girls Club of Lake Tahoe and Catalyst Family Inc., to implement childcare services related to COVID-19. The term for both agreements ended, leaving an authorized grant funding balance of $87,594.00 under the Community Development Block Grant (CDBG) CV 1 Award/Contract No. 20-CDBG-CV1-00075. The Boys and Girls Club of Lake Tahoe expressed interest in the available funds. If the renewal of the subrecipient agreement is approval, the agency will be able to cover additional COVID-19 mitigation cost for their full days summer, and after-school programs from 2020 to 2023. The programs included are full-day childcare, summer camps and after-school programs incorporating online school, art, STEM, recreation, healthy lifestyles, good character, and citizenship activities. The additional expenses incurred between 2020-2023 are cleaning supplies, cleaning equipment, air filters, scholarships for parents unable to afford the extra expense of full-day childcare while the schools were closed, and refunds provided due to the child or a staff member contracting COVID. The renewal of the agreement would include a new budget of $87,594 and a new term ending February 28, 2024.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute the Subrecipient Agreement for the Boys and Girls Club with an expenditure term until February 28th, 2024, and not to exceed amount of $87,594.00.

Responsible Staff Member: Lydia Zuniga, Associate Management Analyst

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff_Report_CDBGCV1_20230808.docx
02-CDBG-CV1_SUBAgreeBandGClub_2023final (2).pdf
03-20-CDBG-CV1-00075 Am 2-Executed (1).pdf
04-C-102-2021 Boys and Girls Club CDBG.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 8, 2023

Title: Request to renew the Community Development Block Grant (CDBG) CV1 Subrecipient Agreement and approve a new Scope of Work for the Boys and Girls Club of Lake Tahoe

Location: Citywide

Responsible Staff Member: Lydia Zuniga, Associate Management Analyst (530) 542-7417

Background: On August 11, 2020, the City Council adopted Resolution No. 2020-072 Coronavirus Response Grant. The Resolution authorized staff to submit a Community Development Block Grant (CDBG) Coronavirus Response Round 1 (CV1) grant application in the amount of $138,951 to the State Department of Housing and Community Development (HCD) for childcare services. On May 3, 2021, staff received the award notification letter in the amount of $138,950 with a performance period of 5/6/2021 to 5/6/2022.

During the City Council meeting of September 7, 2021, the Council approved Subrecipient Agreements with the Boys and Girls Club of Lake Tahoe and Catalyst Family Inc. to implement childcare related coronavirus impact response. The Boys and Girls Club of Lake Tahoe agreement included an activity delivery budget of $42,775 and Catalyst Family Inc., activity delivery budget was $96,750.

Issue and Discussion:
In 2022, the Boys and Girls Club of Lake Tahoe implemented $32,420.64 in qualifying coronavirus response activities and Catalyst Family, Inc., implemented $18,935.29. Catalyst Family, Inc. indicated that they will not be able to utilize the remaining balance of their agreement. Although the term of both Subrecipient Agreements have expired before all funding was utilized, the City has received approval from HCD to extend the expenditure timeframe of the grant to February 28, 2024.

The Boys and Girls Club of Lake Tahoe has expressed interest in the remaining funds. They have submitted documentation of expenditures and a new scope of work with a total cost of $87,594.00. With the approved funds, the agency will be able to cover additional COVID-19 mitigation cost for their full days summer, and after-school programs from 2020 to 2023. The programs included are full-day childcare, summer camps and after-school programs incorporating online school, art, STEM, recreation, healthy lifestyles, good character, and citizenship activities. The additional expenses incurred between 2020-2023 are cleaning supplies, cleaning equipment, air filters, scholarships for parents unable to afford the extra expense of full-day childcare while the schools were closed, and refunds provided due to the child or a staff member contracting COVID.

Staff is recommending approval to renew the Subrecipient Agreement term for the Boys and Girls Club with an expenditure term until February 28th, 2024, and not to exceed amount of $87,594.00; under Award/Contract Number 20-CDBG-CV1-00075.

Financial Implications:
Staff previously recommended that 100% of the grant funds be distributed to the Subrecipients for activity delivery. The total grant funds spent by the Boys and Girls Club of Lake Tahoe and Catalyst Family Inc., are $51,355.93 leaving a remaining balance of $87,594.00.

Environmental Considerations:

The recommendation in this report is not a project under CEQA, because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(2) and 15378(b)(4) and is, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Policy Implications:
This action would be part of the City's continuing response to the COVID-19 crisis and is consistent with use of Federal funding provided by HCD.

ATTACHMENT 1

SUBRECIPIENT AGREEMENT

AGREEMENT BETWEEN CITY OF SOUTH LAKE TAHOE
AND
BOYS AND GIRLS CLUB OF LAKE TAHOE
FOR
2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM-
CORONAVIRUS RESPONSE ROUND 1

THIS AGREEMENT, entered this 8th day of August, 2023 by and between the City of South Lake Tahoe (herein called the "Grantee") and Boys and Girls Club of Lake Tahoe (herein called the "Subrecipient").

WHEREAS, the Grantee has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. <u>SCOPE OF SERVICE</u>

A. <u>Activities</u>

The Subrecipient will be responsible for administering a CDBG Year 2020 Coronavirus Response Round 1 grant in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity — Boys and Girls Club of Lake Tahoe is located at 1100 Lyons Ave. in South Lake Tahoe. The Club provides school-aged childcare services to low- and moderate-income families. With the CDBG CVI funding the Boys and Girls Club will be able to cover their COVID mitigation cost for their full day, summer and after-school programs from 2020 to 2023. The Programs included full-day childcare, summer camps and after-school programs incorporating online school, art, STEM, recreation, healthy lifestyles, good character and citizenship activities. The expenses incurred were CPR and first aid training for all staff, cleaning supplies, cleaning equipment, scholarships for parents unable to afford the extra expense of full-day childcare while the schools were closed and refunds provided due to the child or a staff member contracting COVID.

General Administration Grantee will set-up the grant administration files and will monitor the grant contract to ensure full compliance with HCD guidelines. For example, Grantee will review and track all expenditures prior to submitting reimbursement requests. Grantee will also maintain appropriate records and documentation to satisfy any audit requirements including proper closeout of the grant.

B. National Objectives

All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208.*

The Subrecipient certifies that the activity (ies) carried out under this Agreement will meet the low- and moderate-income persons National Objective by implementing childcare and youth Services to low- and moderate-income families.

C. Levels of Accomplishment – Goals and Performance Measures

The levels of accomplishment may include such measures as units rehabbed, persons or households assisted, or meals served, and should also include time frames for performance.

The Subrecipient agrees to provide the following minimum levels of program services:

Activity	Total Units/Month
Free summer childcare services	#97
Free afterschool childcare services	#150

Units are defined as Low and Moderate clientele, which are children served for free by the Club.

D. Staffing

The following Subrecipient staff will be allocated to provide the services described in Section 1. A above.
Adam Gyarmati, Booker
Christina Ramos, Membership Coordinator

E. Performance Monitoring

The Grantee will monitor the performance of the Subrecipient against goals and performance standards as stated above. Substandard performance as determined by the Grantee will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the Grantee, contract suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

Services of the Subrecipient shall start on the 8th day of August, 2023 and end on the 28th day of February of 2024.

III. BUDGET

Line Item	Amount:
Scholarships	$24,484.00

*Sample Form Only. Not to be Used as a Legal Contract.

Equipment	$25,483.56
Supplies and Materials	$1,170.28
Training	$6,800.00
Replacement air filters	$1,500.00
Annual air scrubber maintenance	$600.00
Other (COVID-19 additional materials/supplies if needed)	$27,556.00
TOTAL	$87,594.00

In addition, the Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee. Any amendments to the budget must be approved in writing by both the Grantee and the Subrecipient.

IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement shall not exceed the remaining grant fund balance of $87,594.00. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in Paragraph III herein and in accordance with performance. Expenses for general administration shall also be paid against the line item budgets specified in Paragraph III and in accordance with performance.

Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 24 CFR 84.21.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Grantee:
Development Services Dept.
City of South Lake Tahoe
1052 Tata Lane
South Lake Tahoe, Ca 96160

Provide a copy to:
City Attorney's Office
City of South Lake Tahoe
1901 Lisa Marloff Way, Suite 300
South Lake Tahoe, CA 96150

Subrecipient:

Boys and Girls Club of Lake Tahoe
1100 Lyons Avenue
South Lake Tahoe, CA 96150

Communication and details concerning this contract shall be directed to the following contract representatives:

Grantee	Subrecipient
Hilary Roverud Director of Development Services City of South Lake Tahoe (530) 542-6024 hroveurd@cityofslt.us	Jude Wood Executive Director Boys and Girls Club of Lake Tahoe (530) 542-0838 jwood@bgclt.org

VI. SPECIAL CONDITIONS

Subrecipient must utilize funding to address a common child care issue that is related to the COVID-19 Pandemic and provide to residents within the City of South Lake Tahoe.

VII. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Subrecipient does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) the Subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Subrecipient shall comply with the bonding and insurance requirements of 24 CFR 84.31 and 84.48, Bonding and Insurance.

F. Grantee Recognition

The Subrecipient shall insure recognition of the role of the Grantee in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The Grantee or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Subrecipient from its obligations under this Agreement.

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Subrecipient.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the Grantee may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective or improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the Grantee reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the Grantee or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the award in its entirety.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21–28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

a. Records providing a full description of each activity undertaken;
b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
c. Records required to determine the eligibility of activities;

d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21–28; and
g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Retention

The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the Grantee's annual performance and evaluation report to HCD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this contract, is prohibited by the law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Not withstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds.

6. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Federal Government or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning subrecipient audits and OMB Circular A-133.

C. Reporting and Payment Procedures

1. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. In addition, the Grantee reserves the right to liquidate funds available under this contract for costs incurred by the Grantee on behalf of the Subrecipient.

2. Progress Reports

The Subrecipient shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this agreement, the Subrecipient shall procure all materials, property, or services in accordance with the requirements of 24 CFR 84.40–48.

3. Travel

The Subrecipient shall obtain written approval from the Grantee for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable.

IX. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with City and state civil rights ordinances and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

1. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this contract, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Subrecipient agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. Women- and Minority-Owned Businesses (W/MBE)

The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of $2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. "Section 3" Clause

a. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

> "The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b. Notifications

The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Subrecipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Subrecipient shall cause all of the provisions of this contract in its entirety to

be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

a. The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

b. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.

5. Lobbying

The Subrecipient hereby certifies that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an

officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly:

d. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

6. Copyright

If this contract results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

X. ENVIRONMENTAL CONDITIONS

A. Air and Water

The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- Clean Air Act, 42 U.S.C. , 7401, *et seq*.;
- Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;
- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Subrecipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

D. Historic Preservation

The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

XI. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

XII. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

XIII. WAIVER

The Grantee's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XIV. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the Grantee and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Grantee and the Subrecipient with respect to this Agreement.

Date _____

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

[Grantee] [Subrecipient]

By_____ By_____

Joseph Irvin, City Manager

Title _____

Attest_____

Susan Blankenship City Clerk

_____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Fed. I. D. #_____

_____

Heather Stroud, City Attorney

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

SCO ID:

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

☐ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED ____ PAGES

AGREEMENT NUMBER	AMENDMENT NUMBER	Purchasing Authority Number
20-CDBG-CV1-00075	2	

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
Department of Housing and Community Development (HCD)

CONTRACTOR NAME
City of South Lake Tahoe

2. The term of this Agreement is:

START DATE
06/08/2021

THROUGH END DATE
02/28/2024

3. The maximum amount of this Agreement after this Amendment is:
$138,950.00

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The term of this Agreement is hereby extended from June 25, 2023 to February 28, 2024. As a result, this Agreement now expires on February 28, 2024.

The Expenditure Deadline referenced in Section 5.B. is hereby extended to February 28, 2024. All references to the Expenditure Deadline in this Agreement shall mean such new extended date.

In Section 5.A., Grantee shall now have until the Expenditure Deadline referenced above to complete the grant activity(ies) in this Agreement.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)
City of South Lake Tahoe

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP
1901 Lisa Maloff Way	South Lake Tahoe	CA	96150

PRINTED NAME OF PERSON SIGNING	TITLE
Joseph J. Irwin	City Manager
CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED
	5/23/2023

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of Housing and Community Development (HCD)

CONTRACTING AGENCY ADDRESS	CITY	STATE	ZIP
2020 W. El Camino Avenue	Sacramento	CA	95833

PRINTED NAME OF PERSON SIGNING	TITLE
Sukhpreet Martinez	Contracts Manager
CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED
	5/24/2023
CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL	EXEMPTION (If Applicable) Exempt per SCM Vol. 1 4.04. A.3 (DGS memo dated 6/12/1981)

SUBRECIPIENT AGREEMENT*

AGREEMENT BETWEEN CITY OF SOUTH LAKE TAHOE
AND
BOYS AND GIRLS CLUB OF LAKE TAHOE
FOR
2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM-
CORONAVIRUS RESPONSE ROUND 1

THIS AGREEMENT, entered this 7th day of September, 2021 by and between the City of South Lake Tahoe (herein called the "Grantee") and Boys and Girls Club of Lake Tahoe (herein called the "Subrecipient").

WHEREAS, the Grantee has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. Activities

The Subrecipient will be responsible for administering a CDBG Year 2020 Coronavirus Response Round 1 grant in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity	Boys and Girls Club of Lake Tahoe is located at 1100 Lyons Ave. in South Lake Tahoe. The Club provides school-aged childcare services to low- and moderate-income families. With the CDBG CVI funding the Boys and Girls Club will be able to cover their COVID mitigation cost for their Summer Programs for 2020 and 2021. The Programs included full-day child care, art, STEM, recreation, healthy lifestyles, good character and citizenship activities. The expenses incurred were cleaning supplies, safety equipment, tents, snacks, salaries and extra payroll costs; therefore additional staffing is necessary.

General Administration Grantee will set-up the grant administration files and will monitor the grant contract to ensure full compliance with HCD guidelines. For example, Grantee will review and track all expenditures prior to submitting reimbursement requests. Grantee will also maintain appropriate records and documentation to satisfy any audit requirements including proper closeout of the grant.

B. National Objectives

All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208.*

The Subrecipient certifies that the activity (ies) carried out under this Agreement will meet the low- and moderate-income persons National Objective by implementing childcare and youth Services to low- and moderate-income families.

C. Levels of Accomplishment – Goals and Performance Measures

The levels of accomplishment may include such measures as units rehabbed, persons or households assisted, or meals served, and should also include time frames for performance.

The Subrecipient agrees to provide the following minimum levels of program services:

Activity	Total Units
Childcare Services	# of units

Units are defined as Low and Moderate clientele, which are children served.

D. Staffing

The following Subrecipient staff will be allocated to provide the services described in Section 1. A above.
Cecelia Bachelder, Booker
Christina Ramos, Membership Coordinator

E. Performance Monitoring

The Grantee will monitor the performance of the Subrecipient against goals and performance standards as stated above. Substandard performance as determined by the Grantee will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the Grantee, contract suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

Services of the Subrecipient shall start on the 7th day of September 2021 and end on the 6th day of May of 2022.

III. BUDGET

Line Item	Amount:
Salaries	$31,095.00
Utilities wi-fi	$1,150.00
Supplies/Program	$153.86
Supplies and Materials	$1,375.82

*Sample Form Only. Not to be Used as a Legal Contract.

Other (snacks)	$9,000.00
Indirect Costs (Specify)	_____
TOTAL	$42,774.68

In addition, the Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee. Any amendments to the budget must be approved in writing by both the Grantee and the Subrecipient.

IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement shall not exceed $42,775.00. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in Paragraph III herein and in accordance with performance. Expenses for general administration shall also be paid against the line item budgets specified in Paragraph III and in accordance with performance.

Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 24 CFR 84.21.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Grantee:
Development Services Dept.
City of South Lake Tahoe
1052 Tata Lane
South Lake Tahoe, Ca 96160

Provide a copy to:
City Attorney's Office
City of South Lake Tahoe
1901 Lisa Marloff Way, Suite 300
South Lake Tahoe, CA 96150

Subrecipient:
Boys and Girls Club of Lake Tahoe
1100 Lyons Avenue
South Lake Tahoe, CA 96150

Communication and details concerning this contract shall be directed to the following contract representatives:

Grantee	Subrecipient
Hilary Roverud Director of Development Services City of South Lake Tahoe (530) 542-6024 hroveurd@cityofslt.us	Jude Wood Executive Director Boys and Girls Club of Lake Tahoe (530) 542-0838 jwood@bgclt.org

VI. SPECIAL CONDITIONS

Subrecipient must utilize funding to address a common child care issue that is related to the COVID-19 Pandemic and provide to residents within the City of South Lake Tahoe.

VII. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Subrecipient does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) the Subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Subrecipient shall comply with the bonding and insurance requirements of 24 CFR 84.31 and 84.48, Bonding and Insurance.

F. Grantee Recognition

The Subrecipient shall insure recognition of the role of the Grantee in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The Grantee or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Subrecipient from its obligations under this Agreement.

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Subrecipient.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the Grantee may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective or improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the Grantee reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the Grantee or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the award in its entirety.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21–28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

a. Records providing a full description of each activity undertaken;
b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
c. Records required to determine the eligibility of activities;

d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21–28; and
g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Retention

The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the Grantee's annual performance and evaluation report to HCD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this contract, is prohibited by the law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Not withstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds.

6. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Federal Government or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning subrecipient audits and OMB Circular A-133.

C. Reporting and Payment Procedures

1. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. In addition, the Grantee reserves the right to liquidate funds available under this contract for costs incurred by the Grantee on behalf of the Subrecipient.

2. Progress Reports

The Subrecipient shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this agreement, the Subrecipient shall procure all materials, property, or services in accordance with the requirements of 24 CFR 84.40–48.

3. Travel

The Subrecipient shall obtain written approval from the Grantee for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable.

IX. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with City and state civil rights ordinances and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

1. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this contract, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Subrecipient agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. Women- and Minority-Owned Businesses (W/MBE)

The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of $2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. "Section 3" Clause

a. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

> "The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b. Notifications

The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Subrecipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Subrecipient shall cause all of the provisions of this contract in its entirety to

be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

a. The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

b. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.

5. Lobbying

The Subrecipient hereby certifies that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an

officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly:

d. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

6. Copyright

If this contract results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

X. ENVIRONMENTAL CONDITIONS

A. Air and Water

The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- Clean Air Act, 42 U.S.C. , 7401, *et seq.*;
- Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;
- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Subrecipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

D. Historic Preservation

The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

XI. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

XII. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

XIII. WAIVER

The Grantee's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XIV. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the Grantee and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Grantee and the Subrecipient with respect to this Agreement.

Date September 7, 2021

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

[Grantee]	[Subrecipient]
By Joe Irvin	By
Joseph Irvin, City Manager	Title Jude Wood, Executive Director

Attest

Susan Blankenship City Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Fed. I. D. # 68-0241891

Heather Stroud

Heather Stroud, City Attorney

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 9

Agenda Item: Financial Policy Amendments Regarding Cell Phones, Local Training & Meeting, Procurement, Grant Funding and Compliance, Travel, and Preserving Capital Investments, and New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs)

Executive Summary: Financial policies that are up to date with current laws, governmental accounting standards and compliance are essential to the prudent financial management of the Cityâ€™s assets and resources. Staff recommends amendments to the Cell Phone Policy, Local Travel and Meeting Policy, Procurement Policies and Procedures, Grant Funding and Compliance Policy, Travel Policy, and Preserving Capital Investments Policy to streamline efficiencies and update policies to reflect the requirements of current laws and regulations. The purpose of the Leases and Subscription Based Information Technology Arrangements (SBITAs) policy is to establish procedures and ensure compliance with Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, and GASB Statement No. 96, SBITAs.

Requested Action / Suggested Motions: Pass a Resolution amending financial policies regarding Cell Phones, Local Training & Meeting, Procurement, Grant Funding and Compliance, Travel, and Preserving Capital Investments, and adopting New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs)

Responsible Staff Member: Andrew Black, Financial Services Supervisor, Lori Marino, Principal Management Analyst , Olga Tikhomirova, Finance Director

Reviewed and Approved By: Olga Tikhomirova, Finance Director Susan Blankenship, City Clerk Heather Stroud, City Attorney

Attachments:

01-Staff Report - Financial Policy Amendments and New Policy.docx
02-Resolution_-_Financial_Policy_Amendments_and_New_Policy.docx
03-CSLT Cell Phones Policy Redline.pdf
04-CSLT Cell Phones Policy (Exh. A to Reso).pdf
05-CSLT Local Training and Meeting Policy Redline.pdf
06-CSLT Local Training and Meeting Policy (Exh. B to Reso).pdf
07-CSLT Procurement Policy Redline.pdf
08-CSLT Procurement Policy (Exh. C to Reso).pdf
09-CSLT Grant Funding Compliance Policy Redline.pdf
10- CSLT Grant Funding Compliance Policy (Exh. D to Reso).pdf
11-CSLT Travel Policy Redline.pdf
12-CSLT Travel Policy (Exh. E to Reso).pdf
13-CSLT Preserving Capital Investments Redline.pdf
14-CSLT Preserving Capital Investments (Exh. F to Reso).pdf
15-CSLT Leases and SBITAs Policy (Exh. G to Reso).pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 8th, 2023

Title: Financial Policy Amendments Regarding Cell Phones, Local Training & Meeting, Procurement, Grant Funding and Compliance, Travel, and Preserving Capital Investments, and New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs)

Location: Citywide

Responsible Staff Member: Andrew Black, Financial Services Supervisor
Lori Marino, Principal Management Analyst
Olga Tikhomirova, Director of Finance

Background: The City Council adopted the City of South Lake Tahoe Comprehensive Financial Policies in July 2005. Each year the policies are reviewed, and necessary amendments, or new policies are presented to the City Council for adoption.

Issue and Discussion: The following policy amendments and additions are recommended:

- **Cell Phone Policy**: The proposed policy amendments ensures compliance with the Public Records Act including prohibiting employees from transacting Official City Business from personal cell phones unless the communication is captured and retained in a City account. Updates also removed outdated information.

- **Local Training and Meeting Policy:** The proposed policy update clarifies and highlights restrictions on using Cal-Cards or Petty Cash for meal costs. It also creates the Emergency Service Meal Approval Form and associated procedures and adds language emphasizing restrictions on payment for meals of representatives of outside agencies, consultants, contractors, or any other attendee. Additionally, it establishes requirements and approval procedures for missing or lost receipts.

- **Procurement Policies and Procedures:** Amendments to this policy include language added to City Code Chapter 3.45, Article II. Public Contracts and the Uniform Public Construction Cost Accounting Act as approved by City Council on January 24, 2023. The following paragraphs were added to policy subsections 'Public Projects (CUPCCA)' and 'Bid and RFP/RFQ Evaluations':

  - Prequalification
  - Lowest Responsible Bidder
  - Design-Build Contracts
  - Waiver of Irregularities and Rejection of Bids

- **Grant Funding and Compliance Policy**: The proposed policy update clarifies Council approval requirements as a two-step process for both application submittal and award acceptance. It also emphasizes documentation requirements for payment requests of invoices submitted for payment 45 days or more beyond the date of the invoice.

- **Travel Policy:** Proposed amendments to this policy include clarifications regarding Out-of-State travel approval, restrictions on the use of Petty Cash for meals while traveling and establishes requirements for authorization of travel using the Travel Authorization/Advance Form prior to registration or reservations. The policy also establishes requirements and approval procedures for missing or lost receipts.

- **Preserving Capital Investments Policy:** Amendments to this policy remove outdated language regarding interest capitalization requirements and include other minor clean up changes.

- **New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs):** The proposed policy establishes guidelines for the recognition, measurement, presentation, and disclosure of leases and Subscription-Based IT Arrangements (SBITAs) in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, and GASB Statement No. 96, SBITAs.

Financial Implications: Financial Policies that are up to date with current laws, governmental accounting standards and compliance are essential to the prudent financial management of the City's assets and resources. As a result of the new Leases and SBITAs policy, assets and liabilities may be recognized on the City's Government-wide Statement of Net Position as determined by the policy's established thresholds.

Environmental Considerations: These policy additions and amendments are exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Section 15061(b)(3) of the CEQA Guidelines states that an activity is covered by the commonsense exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review.

Policy Implications: The overall impact of financial policies is to strengthen and preserve the City's financial position and fiscal health as well as maintain the highest level of ethics in the stewardship of public funds.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

August 8, 2023

Approving Financial Policy Amendments Regarding Cell Phones, Local Training & Meeting, Procurement, Grant Funding and Compliance, Travel, Preserving Capital Investments, and Adopting New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs)

BACKGROUND

A. The City of South Lake Tahoe City Council approves and adopts Financial Policies to support the City's financial operations and ensure its fiscal health; and

B. Financial Policies require amendments from time to time to ensure compliance with the requirements set forth in Federal and State law; Generally Accepted Accounting Principles (GAAP) and City Code; and

C. Amendments to the Cell Phone Policy, Local Travel and Meeting Policy, Procurement Policies and Procedures, Grant Funding and Compliance Policy, Travel Policy, and Preserving Capital Investments Policy have been presented to the City Council for review and described in the staff report; and

D. New policy, Leases and Subscription Based Information Technology Arrangements (SBITAs), establishes guidelines for the recognition, measurement, presentation, and disclosure of leases and Subscription-Based IT Arrangements (SBITAs) in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, and GASB Statement No. 96, SBITAs; and

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED that the City Council of the City of South Lake Tahoe:

1. Approves the amendments and updates as described in the Financial Policies- Cell Phones (attached hereto as Exhibit A), Local Training and Meeting (attached hereto as Exhibit B), Procurement Policies and Procedures (attached hereto as Exhibit C), Grant Funding and Compliance (attached hereto as Exhibit D), Travel (attached hereto as Exhibit E), and Preserving Capital Investments (attached hereto as Exhibit F); and

2. Adopts the New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs) dated August 2023 (attached hereto as Exhibit G).

Adopted by the City of South Lake Tahoe City Council on August 08, 2023 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date: _____
Cristi Creegan, Mayor

Attest:

_____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

CELLULAR PHONE POLICY

INTRODUCTION

There are millions of cell phones and wireless communication devices in operation today. This technology is now an integral part of our daily personal and business activity. In this wireless era, cell phones~~, Personal Digital Assistants (PDA's), smart phones, etc.~~ provide instant communication and information where one may transact business almost anywhere in the world. These devices are tools to enhance employee productivity, provide safety/security while traveling, and provide a higher level of service to the citizens of South Lake Tahoe.

The benefits of wireless communication devices certainly outweigh the disadvantages. ~~However, with more cell phones in the work environment, the constant ringing, beeping and personal conversations can be distracting.~~ In an effort to maximize efficiency, enhance safety and ensure the equipment is properly used, the City of South Lake Tahoe shall enforce the following policy.

PURPOSE~~:~~
The purpose of the Cellular Phone Policy is to:

1. Provide standards and clarification for city-issued and personal cellular phone use;
2. Enhance the efficiency and effectiveness of communication;
3. Ensure safe work practices when using cell phones while driving or performing work-related activities;
4. Ensure compliance with SB 1613, which will prohibit drivers from using a cell phone unless they are also using a hands-free device; and to
5. Ensure compliance with Federal (IRS), State (AB1234, Public Records Act) and Local (Ethics and Wrongdoing in the Workplace Policies) rules and regulations.

~~Definitions~~DEFINITIONS

Vehicle – a land motor vehicle, motorcycle, trailer or semi-trailer designed for travel on public roads and or any off road vehicle.
Business call or text – any phone call or text message made by an employee for the purpose of conducting official City business in accordance with that employee's assigned duties and responsibilities.
Cell phone – any wireless communication device, including ~~personal digital assistants (PDA's) and~~ smart phones.
City Issued Cell Phone – any wireless communication device, including ~~personal digital assistant (PDA's) and~~ smart phones provided by the City to the employee for business use.
Personal Cell Phone - an employee owned wireless communication device, including personal digital assistant (PDA's) and smart phones.
Employee – any person who is hired to provide services to the City on a regular basis in exchange for compensation, or any person who is an elected or appointed official or volunteer, whether or not they are compensated, while acting for or on behalf of the City.
Personal call or text – any phone call or text message made by an employee that is NOT for the purpose of conducting official City business in accordance with that employee's assigned duties and responsibilities.

I. Use of Cellular Phone for Official Business

A. City-issued Cellular Phone

The ~~Purchasing Manager~~Finance Director, or a designee, will determine the suitable carrier(s) for City-issued cell phones~~ and personal digital assistants (PDA's)~~. ~~Purchasing Manager~~Finance Director, or a

designee. shall manage the administration and be the main point of contact for City cell phones and cellular contract(s), including types and models of equipment to be used, number of users, amount of usage, initial set-up, plan changes, service and billing issues and service purchased under the contract. ~~The Purchasing Manager, or his/her designee, shall provide each~~

Formatted: Normal, Justified, Indent: Left: 0.5", Space Before: 6 pt, Tab stops: Not at 6.5"

~~Department Head/Division Manager with a copy of telephone calls made by each of their employees for review and approval on a monthly basis.~~

1. Department Head/Division Manager, whichever is applicable, shall be responsible for determining the employee's need for a City provided cell phone. In doing so, the Department Head ~~and~~ or Division Manager will analyze the business necessity for such use before authorization. Department Head/Division Manager shall inform employees of the purpose for cell phone communication while performing City business; ensure the employee understands the Cell Phone Policy; enforce compliance with this policy; and ensure that cell phone use is appropriate and that public funds are prudently spent. Approval shall be given to the ~~Purchasing Manager~~Finance Director, or a designee, in writing by using the "Cell Phone Policy Acknowledgment Form" (See Attachment "A") and the "Wireless Equipment Request Form" (see Attachment "B").

~~2. Approving managers shall audit each monthly bill for City-issued phones to account for proper business use prior to sending statement(s) to Purchasing for payment. An approval form will be created and distributed to all Department Heads/Division Managers upon Council's approval of this Cell Phone Policy.~~

~~3.~~2. Employee shall review and adhere to the Cell Phone Policy.

~~4.~~3. Employee should use their cell phone to report emergencies to the appropriate authorities.

~~5.~~4. Use of a City provided cell phone for commercial profit or secondary employment is prohibited.

~~6.~~5. City provided cell phones shall only be used for appropriate business calls and texts. ~~The employee should use their cell phone only if other methods of communication are not available.~~ As a general rule, personal phone calls are not allowed on City-issued cell phones. If employee has an urgent personal issue arise, phone must only be used on a de minimus (less than 10 minutes) basis.

~~7. The City does not offer employees personal use of free night, weekend, cell-to-cell, text, picture or any other enhanced plan.~~

~~8.~~6. City issued cell phones are to be used by the assigned employee(s) only. Allowing family members, friends, etc. to use City equipment is prohibited.

B. Personal Owned Cellular Phone for Official City Business

~~A City employee is offered the option to use his or her personal cellular phone for business purposes if his or her employment activities warrant such a device. Prior approval from the Division Manager or Department Head, whichever is applicable, shall be given in writing by using the "Cell Phone Policy Acknowledgment Form" (see Attachment "A"). While on duty or in the work environment, employees must use their personal cell phones in a professional manner.~~Employees are prohibited from transacting Official City Business from personal cell phones unless the communication is captured and retained in a City account.

II. General Business Usage

~~A. All cellular calls using a City issued cell phone should be limited to the shortest possible time.~~

~~B. Service charges are incurred by the City for the use of optional services such as directory assistance, direct connection by directory assistance, busy signal confirmations, and emergency~~

~~interrupts. As such, the use of these services on City-issued cellular phones is restricted for business purposes only and should be used only when absolutely necessary. Monthly usage plans for City-issued cellular phones shall be indicated when filling out the "Wireless Equipment Request Form" (see Attachment "B").~~

~~1) If usage history is deemed to be too low or high a more appropriate plan shall be considered based on the Purchasing Manager's recommendation.~~
~~2) Contact the Purchasing Manager for changes.~~

~~C. Each employee assigned a City cellular telephone shall review, on an ongoing basis, their billing statement that itemizes the incoming and outgoing calls to ensure that calls placed on the cellular phone are valid and in conformance with this policy. Calls that appear to be billed to the City in error shall be reported to the Purchasing Division.~~

~~D. Unless authorized, text messages are not to be sent or received. If a text message is received that is not authorized you will need to inform the sender to cease sending such text messages. If text messages are part of the employees business needs and authorized, a text message plan should be coordinated with the Purchasing Manager, for business use only, to determine the best, most economic plan that will meet monthly needs.~~

~~A. Unless authorized, any enhanced service such as text, data, picture, ringer tones, downloading of songs or internet not included in the basic plan shall not be permitted on a City-issued cellular phone.~~

~~B. Those employees who are issued cellular phones with a camera feature shall not use the camera feature except in a work related emergency, or as authorized by the employee's department or division head. The camera feature is not to be used for personal purposes.~~

~~C.~~A. Employees are not allowed to use the City-issued cellular phones in an illegal, illicit or offensive manner.

~~D.~~B. It is important to remember that all payments processed through Accounts Payable, including complete cell phone bills detailing all monthly activity, and all texts are public record. Using your City issued cell phone appropriately, and for business use only, will avoid problems and questions that might occur by public or outside audit.

~~E.~~C. While on duty or in the work environment, employees must use all cell phones and electronic devices in a professional manner.

~~F.~~D. It is important to note that all cell phone monthly billings submitted to Accounts Payable for payment become public record and information under the California Public Records Act.

Disciplinary action may be taken for any violation of the City's Cellular Phone Policy.

III. Replacing a Cellular Phone

A. It is at the discretion of the Department Head/Division Manager and the ~~Purchasing Manager~~Finance Director to authorize the replacement/upgrade of a City-issued cellular phone. Use the "Wireless Equipment Request Form" (see Attachment "B") to initiate such a request.

B. Employees assigned a City cell phone must be diligent in the care and protection of the City asset entrusted to them. Employee may be responsible for replacement if loss or damage to cellular phone is the fault of the employee.

C. In the event of a lost or stolen cellular phone:

1. Report the situation to ~~your cell phone carrier~~ Information Systems Division immediately.
2. Report the situation to your manager.
3. Manager shall contact the ~~Purchasing Manager~~Finance Director, or designee.

4. Send ~~or fax~~ the "Wireless Equipment Request Form" (see Attachment "B") to ~~Purchasing~~Information Systems Supervisor.

IV. Use of a Personal Cellular Phone During Work Hours

~~1.~~A. To avoid situations that are disruptive to the public or fellow employees cellular phone ringers should be turned off or placed into the silent or vibrate mode while at work.

~~2.~~B. Personal cellular phones should only be used for personal calls during breaks or at lunch.

~~3.~~C. Discussions on a personal cellular phone during a break or lunch should not disrupt other staff members.

~~4.~~D. Personal cell phones are the sole responsibility of the employee and the City will not be responsible for repair or replacement if damaged or lost.

Formatted: Outline numbered + Level: 3 + Numbering Style: A, B, C, … + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

V. Safe Use of Cell Phone/Electronic Devices While Operating a Vehicle

Effective July 1, 2008, state law prohibits the use of cell phones while operating a vehicle unless the driver is using a hands-free device. There are three exceptions to the law:

- ✓ Emergency services personnel are exempt from the law when operating an authorized emergency vehicle;
- ✓ Drivers of commercial vehicles may continue to utilize two-way communication equipment (i.e. Nextel Push to Talk, CB, etc.) while driving a truck or trailer until July 1, 2011;
- ✓ The law does not apply to persons using their cell phone to contact law enforcement or public safety agencies for emergency purposes.

With the exception of the above, employees must refrain from; operating cellular phones or other devices or any activity that may distract from safely operating a motor vehicle. Using cell phones or other devices while driving leads to increased risk of accident and liability to the City and the employee.

To limit the risk, all employees shall adhere to the following:

1. Use a hands-free device if you must make or receive a call. SB 1613, effective 07/01/2008 prohibits drivers from using a cell phone unless they are also using a hands-free device. Please note certain exceptions mentioned above.
2. Make calls before starting the vehicle and proceeding to your destination.
3. If possible, pull over or park in an appropriate manner before initiating or answering a call.
4. Allow voice mail to handle your incoming calls and return them at your safe convenience.
5. Refrain from making personal calls, except for emergencies; while operating a City owned vehicle, rental vehicle or your own vehicle for City related business.
6. Suspend conversations during hazardous driving conditions or situations.
7. Always drive vehicles in a safe manner. It is recommended that the employee avoid activities that can cause a distraction and/or take your eyes and attention off of the road, including, but not limited to; taking notes, looking up phone numbers, text messaging, eating, drinking, smoking, loading or unloading CD's, or changing radio stations.
8. When possible, employees using two-way communication equipment (i.e. Nextel "push to talk" device) should safely pull over before communicating. If pulling over is not an option, maintain a safe driving distance between the vehicle in front of you and be conscious of your surroundings.
9. While driving vehicles equipped with laptops, GPS/Navigation tools or other computerized equipment employees shall use such equipment in a safe manner and, when safe to do so, pull over and park to use such equipment.

All City Employees, while operating a vehicle for City related business, will adhere to California Law SB1613 regarding the use of a hands free device for cell phones. Any fines received while operating a vehicle for City related business are the sole responsibility of the driver.

~~VI. Exceptions~~

~~A. Exceptions to this policy may be authorized by the City Manager following a written request for consideration from a Department Head, along with appropriate justification.~~

Attachments:

- **Acknowledgment Signature Form – "A"**
- **Wireless Equipment Request Form – "B"**

ATTACHMENT "A"

ACKNOWLEGEMENT OF CELL PHONE POLICY FOR THE CITY OF SOUTH LAKE TAHOE

By signing below, I agree that I have read, understand and will adhere to the City of South Lake Tahoe's Cell Phone Policy.

~~Employee is authorized by their Dept. Head/Div. Mgr. to use the text message feature on their City issued cellular device:~~

~~Yes_____ Purpose?_____ No_____~~

~~Employee is authorized by their Dept. Head/Division Mgr. to use the camera feature on their~~

~~City issued cellular device:~~

~~Yes_____ Purpose?_____ No_____~~

~~Other enhanced features Dept. Head/Division Manager authorizes employee to use on their~~

~~City issued cellular device:~~

~~_____ Purpose?_____~~

~~Employee is authorized by their Dept. Head/Division Manager to use their personal cellular device for business use. Non Exempt employees may do so during regularly scheduled business hours only, due to FSLA rules:~~

~~Yes_____ No_____~~

Employee's Signature:_____

Employee's Printed Name:_____

Department Head Signature/Title:_____

Division Manager Signature/Title:_____

Date:_____

CELLULAR PHONE POLICY

ATTACHMENT "B"

WIRELESS EQUIPMENT REQUEST FORM

Use this form to authorize and order wireless equipment. Send or fax to ~~Purchasing (542-7950)~~Information Systems Supervisor.

Today's date:_____ Need by date:_____

Employee Name:_____

Reason for Request (*Check the appropriate box*)

☐ New User

☐ Replacement, Damaged or Upgrade

☐ Replacement, Lost or Stolen

} **Phone Number: ( )_____**

Type of device requested (*Check the appropriate box*)

☐ Cellular Phone ~~Monthly Minutes Required:_____~~

~~☐ Blackberry Device~~ ~~☐ Data & Phone Monthly Minutes Required:_____~~

~~*(Check one)>>>>*~~

~~☐ Data Only~~

☐ ~~PC Wireless Cardi~~Pad

~~☐ Pager~~

~~☐ Shared Plan? Shared with what other number(s):_____~~

~~*(Check if shared minute plan)*~~

~~_____~~

☐ Additional Features? List features required:_____

Authorized By: *(Please Print and Sign)* _____

(Department Head) *(Title)*

Authorized By: (*Please Print and Sign)* _____

(Division Manager, if Applicable) *(Title)*

Date:_____

CELLULAR PHONE POLICY

INTRODUCTION

There are millions of cell phones and wireless communication devices in operation today. This technology is now an integral part of our daily personal and business activity. In this wireless era, cell phones provide instant communication and information where one may transact business almost anywhere in the world. These devices are tools to enhance employee productivity, provide safety/security while traveling, and provide a higher level of service to the citizens of South Lake Tahoe.

The benefits of wireless communication devices certainly outweigh the disadvantages. In an effort to maximize efficiency, enhance safety and ensure the equipment is properly used, the City of South Lake Tahoe shall enforce the following policy.

PURPOSE

The purpose of the Cellular Phone Policy is to:

1. Provide standards and clarification for city-issued and personal cellular phone use;
2. Enhance the efficiency and effectiveness of communication;
3. Ensure safe work practices when using cell phones while driving or performing work-related activities;
4. Ensure compliance with SB 1613, which will prohibit drivers from using a cell phone unless they are also using a hands-free device; and to
5. Ensure compliance with Federal (IRS), State (AB1234, Public Records Act) and Local (Ethics and Wrongdoing in the Workplace Policies) rules and regulations.

DEFINITIONS

Vehicle – a land motor vehicle, motorcycle, trailer or semi-trailer designed for travel on public roads and or any off road vehicle.

Business call or text – any phone call or text message made by an employee for the purpose of conducting official City business in accordance with that employee's assigned duties and responsibilities.

Cell phone – any wireless communication device, including smart phones.

City Issued Cell Phone – any wireless communication device, including smart phones provided by the City to the employee for business use.

Personal Cell Phone - an employee owned wireless communication device, including personal digital assistant (PDA's) and smart phones.

Employee – any person who is hired to provide services to the City on a regular basis in exchange for compensation, or any person who is an elected or appointed official or volunteer, whether or not they are compensated, while acting for or on behalf of the City.

Personal call or text – any phone call or text message made by an employee that is NOT for the purpose of conducting official City business in accordance with that employee's assigned duties and responsibilities.

I. Use of Cellular Phone for Official Business

A. City-issued Cellular Phone

The Finance Director, or a designee, will determine the suitable carrier(s) for City-issued cell phones. Finance Director, or a designee. shall manage the administration and be the main point of contact for City cell phones and cellular contract(s), including types and models of equipment to be used, number of users, amount of usage, initial set-up, plan changes, service and billing issues and service purchased under the contract.

1. Department Head/Division Manager, whichever is applicable, shall be responsible for determining the employee's need for a City provided cell phone. In doing so, the Department Head or Division Manager will analyze the business necessity for such use before authorization. Department Head/Division Manager shall inform employees of the purpose for cell phone communication while performing City business; ensure the employee understands the Cell Phone Policy; enforce compliance with this policy; and ensure that cell phone use is appropriate and that public funds are prudently spent. Approval shall be given to the Finance Director, or a designee, in writing by using the "Cell Phone Policy Acknowledgment Form" (See Attachment "A") and the "Wireless Equipment Request Form" (see Attachment "B").
2. Employee shall review and adhere to the Cell Phone Policy.
3. Employee should use their cell phone to report emergencies to the appropriate authorities.
4. Use of a City provided cell phone for commercial profit or secondary employment is prohibited.
5. City provided cell phones shall only be used for appropriate business calls and texts. As a general rule, personal phone calls are not allowed on City-issued cell phones. If employee has an urgent personal issue arise, phone must only be used on a de minimus (less than 10 minutes) basis.
6. City issued cell phones are to be used by the assigned employee(s) only. Allowing family members, friends, etc. to use City equipment is prohibited.

B. Personal Owned Cellular Phone for Official City Business

Employees are prohibited from transacting Official City Business from personal cell phones unless the communication is captured and retained in a City account.

II. General Business Usage

A. Employees are not allowed to use the City-issued cellular phones in an illegal, illicit or offensive manner.

B. It is important to remember that all payments processed through Accounts Payable, including complete cell phone bills detailing all monthly activity, and all texts are public record. Using your City issued cell phone appropriately, and for business use only, will avoid problems and questions that might occur by public or outside audit.

C. While on duty or in the work environment, employees must use all cell phones and electronic devices in a professional manner.

D. It is important to note that all cell phone monthly billings submitted to Accounts Payable for payment become public record and information under the California Public Records Act.

Disciplinary action may be taken for any violation of the City's Cellular Phone Policy.

III. Replacing a Cellular Phone

A. It is at the discretion of the Department Head/Division Manager and the Finance Director to authorize the replacement/upgrade of a City-issued cellular phone. Use the "Wireless Equipment Request Form" (see Attachment "B") to initiate such a request.

B. Employees assigned a City cell phone must be diligent in the care and protection of the City asset entrusted to them. Employee may be responsible for replacement if loss or damage to cellular phone is the fault of the employee.

C. In the event of a lost or stolen cellular phone:

1. Report the situation to Information Systems Division immediately.
2. Report the situation to your manager.
3. Manager shall contact the Finance Director, or designee.
4. Send the "Wireless Equipment Request Form" (see Attachment "B") to Information Systems Supervisor.

IV. Use of a Personal Cellular Phone During Work Hours

A. To avoid situations that are disruptive to the public or fellow employees cellular phone ringers should be turned off or placed into the silent or vibrate mode while at work.

B. Personal cellular phones should only be used for personal calls during breaks or at lunch.

C. Discussions on a personal cellular phone during a break or lunch should not disrupt other staff members.

D. Personal cell phones are the sole responsibility of the employee and the City will not be responsible for repair or replacement if damaged or lost.

V. Safe Use of Cell Phone/Electronic Devices While Operating a Vehicle

Effective July 1, 2008, state law prohibits the use of cell phones while operating a vehicle unless the driver is using a hands-free device. There are three exceptions to the law:

- ✓ Emergency services personnel are exempt from the law when operating an authorized emergency vehicle;
- ✓ Drivers of commercial vehicles may continue to utilize two-way communication equipment (i.e. Nextel Push to Talk, CB, etc.) while driving a truck or trailer until July 1, 2011;
- ✓ The law does not apply to persons using their cell phone to contact law enforcement or public safety agencies for emergency purposes.

With the exception of the above, employees must refrain from; operating cellular phones or other devices or any activity that may distract from safely operating a motor vehicle. Using cell phones or other devices while driving leads to increased risk of accident and liability to the City and the employee.

To limit the risk, all employees shall adhere to the following:

1. Use a hands-free device if you must make or receive a call. SB 1613, effective 07/01/2008 prohibits drivers from using a cell phone unless they are also using a hands-free device. Please note certain exceptions mentioned above.
2. Make calls before starting the vehicle and proceeding to your destination.
3. If possible, pull over or park in an appropriate manner before initiating or answering a call.
4. Allow voice mail to handle your incoming calls and return them at your safe convenience.
5. Refrain from making personal calls, except for emergencies; while operating a City owned vehicle, rental vehicle or your own vehicle for City related business.
6. Suspend conversations during hazardous driving conditions or situations.
7. Always drive vehicles in a safe manner. It is recommended that the employee avoid activities that can cause a distraction and/or take your eyes and attention off of the road, including, but not limited to; taking notes, looking up phone numbers, text messaging, eating, drinking, smoking, loading or unloading CD's, or changing radio stations.
8. When possible, employees using two-way communication equipment (i.e. Nextel "push to talk" device) should safely pull over before communicating. If pulling over is not an option, maintain a safe driving distance between the vehicle in front of you and be conscious of your surroundings.
9. While driving vehicles equipped with laptops, GPS/Navigation tools or other computerized equipment employees shall use such equipment in a safe manner and, when safe to do so, pull over and park to use such equipment.

All City Employees, while operating a vehicle for City related business, will adhere to California Law SB1613 regarding the use of a hands free device for cell phones. Any fines received while operating a vehicle for City related business are the sole responsibility of the driver.

Attachments:

- **Acknowledgment Signature Form – "A"**
- **Wireless Equipment Request Form – "B"**

ATTACHMENT "A"

ACKNOWLEGEMENT OF CELL PHONE POLICY FOR THE CITY OF SOUTH LAKE TAHOE

By signing below, I agree that I have read, understand and will adhere to the City of South Lake Tahoe's Cell Phone Policy.

Employee's Signature:_____

Employee's Printed Name:_____

Department Head Signature/Title:_____

Division Manager Signature/Title:_____

Date:_____

ATTACHMENT "B"

WIRELESS EQUIPMENT REQUEST FORM

Use this form to authorize and order wireless equipment. Send or fax to Information Systems Supervisor.

Today's date:_____ Need by date:_____

Employee Name:_____

Reason for Request (*Check the appropriate box*)

☐ New User

☐ Replacement, Damaged or Upgrade

☐ Replacement, Lost or Stolen

} **Phone Number: ( )_____**

Type of device requested (*Check the appropriate box)*

☐ Cellular Phone

☐ iPad

☐ Additional Features? List features required:_____

Authorized By: *(Please Print and Sign)* _____
(Department Head) *(Title)*

Authorized By: (*Please Print and Sign)* _____
(Division Manager, if Applicable) *(Title)*

Date:_____

FINANCIAL MANAGEMENT
LOCAL TRAINING AND MEETING POLICY

These guidelines establish the basic policies and procedures for local travel, training, and meeting expenses required for City business; ***NOT*** requiring an overnight stay. All City employees and City officials utilizing public resources for City business purposes are responsible for knowing and following this policy.

TABLE OF CONTENTS

This policy is organized into the following seven sections: Page

1. General Standards 2

2. Delegation of Authority 2

3. One Day Travel 3
- **3.1.** Local Meeting and Training 3
- **3.2.** Transportation Costs 3
- **3.3.** Local Travel Meals 4

4. Local Business and Meeting 4
- **4.1.** Special Events 5
- **4.2.** Staff Meetings 5
- **4.3.** Interagency Business Meetings and Training 6
- **4.4.** Unallowable Business Expenses 7
- **4.5.** Current Per Diem Rates 7

5. Accounting for Expenses 7-8
- Missing or Lost Reciepts 8
- **5.1.** Falsification of Expenses 8

6. Forms and Publications 9
- **6.1.** IRS Publications and CA Gov't Code 9
- Payment Request Form 10
- Monthly CalCard Purchase Report 11
- Emergency Service Meal Approval Form 14

Formatted: Bulleted + Level: 1 + Aligned at: 1.01" + Indent at: 1.26"

1. GENERAL STANDARDS:

The purpose of this policy is to provide guidance on the reimbursement of Local Travel, Training, Meeting, and/or Business Expenses incurred on official business within the local area of an employee's official worksite, or for travel ***not*** requiring an overnight stay. These include necessary and reasonable expenses as defined under Section 162 of the Internal Revenue Code for purposes of Federal and State Income Tax Laws.

This policy covers local business expenses and transportation. It does not cover business trips where there is an overnight stay involved. This is addressed in the Travel Policy.

"Local travel" means travel necessary to conduct official business and is performed by the most direct route within and adjacent to an employee's official worksite which does ***not*** require an overnight stay. This is considered ***"one-day"*** travel.

Adoption and Implementation: The City Council is responsible for adopting the City's Local Travel, Training, and Meeting Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to reimbursable City expenditures are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

General Policy: Public funds should be used only for activities related to the City's primary mission of providing quality public service. Public funds should not be used for purposes that are personal in nature or that do not have a clear business purpose.

2. DELEGATION OF AUTHORITY:

The Authorized Signor is accountable for determining the use of public funds to be reasonable and justified by the purpose of the one-day travel, meeting, training or conference and responsible to review and approve Reimbursement Request Forms, Cal-Card Statements, as well as understanding the requirements of this policy.

Finance Director approves for:	City Manager
City Manager approves for:	Direct Report Employees, Department Heads, & City Clerk/Elected Officials
Department Heads approve for:	Division Managers, City Employees
Division Managers approve for:	Direct Report Employees

3. ONE-DAY TRAVEL:

All employees must receive permission for local travel and/ or training from their Department/Division Head prior to scheduling time away from their normal worksite.

3.1. LOCAL MEETING AND TRAINING COSTS

The City will direct pay or reimburse expenses incurred when attending meetings, trainings or conferences held locally, subject to the following:

- Registration fees, or other cost of attendance- employees can request direct payment to vendor, use a Cal Card, or be reimbursed upon completion.
- Department/Division Head should ensure there is enough budget in the appropriate expense line item to cover the costs.
- A Payment Request Form with all substantiated receipts must be submitted.
- If a Cal Card is used as payment, a Monthly Cal Card Purchase Report must be used with description/explanation of expenses and itemized receipts attached.

3.2. TRANSPORTATION COSTS

The most cost-effective means of transportation should be used while on City business. Staff is encouraged to use a City Vehicle for local travel.

- **City Vehicle -** If a City vehicle is used, employees are encouraged to obtain fuel at the Corporation Yard. If this option is unavailable, gas will be reimbursed **with receipt** upon return.

- **Personal Vehicle:** The employee will be reimbursed for mileage in accordance with current federal mileage rates. When an employee travels from home directly to a business-related event, the reimbursement shall include only those miles from the employees' normal place of work on that day. **To drive a privately-owned vehicle on City business, employees are required to:**

    1. Possess a valid license to drive in California.
    2. Carry liability insurance limits required by Human Resources with the City named as additional insured.
    3. Realize that any damage to the car or needed service/repair occurring on the trip will be the employees responsibility as these costs are included in the City's per mile cost reimbursement.

- **Vehicle Allowance:** Employees receiving a Vehicle Allowance are not eligible for mileage reimbursement or use of a City car for travel to locations that are less than 60 miles from their destination.

Parking will be reimbursed at the lowest rate available. Receipts for parking,

Formatted: Font: Bold

Formatted: Indent: Left: 1.21", No bullets or numbering

should accompany all reimbursement claims.

3.3. LOCAL TRAVEL MEALS

Per IRC §162(a)(2) IRS Publication 15:

Meals Away From Tax Home But Not Overnight are taxable as wages to the employee because travel must be away from the home work-site overnight to be excludable.

Example: An employee is required to work off-site for the day but not overnight; these meals would be considered taxable as wages.

- City employees shall be expected to provide their own meals and refreshments while working offsite or attending meetings, trainings, and conferences for which no overnight travel is required. ***One day travel meals will not be reimbursed. CAL-Cards or Petty Cash cannot be used for meal costs.***

Formatted: Font: 14 pt

Formatted: Font: 14 pt

4. LOCAL TRAINING , BUSINESS AND MEETING EXPENSES:

This section defines the circumstances under which a staff member or elected official can be reimbursed for business or meeting expenses not related to local or overnight travel, incurred on behalf of official business for the City of South Lake Tahoe.

Please note: **Procurement cards (CAL-Card) or Petty Cash, cannot be used as payment for meals.** Please see Section 8 (Restricted and prohibited purchases) of the Cal-Card User Handbook or refer to Financial Policies – Cash, for disbursement of Petty Cash .

The ONLY CAL-Card exceptions are the following:

1) Meals provided on **City premises** to City Council and required staff during official City Council or other legislative meetings requiring officials to remain **on-site** throughout a meal period.

Formatted: Font: Bold

2) De Minimis **(**Light) snacks and refreshments for on-site trainings, meetings, or interview panels held on **City premises**. For example (coffee, juice, snacks)

3) Meals for employees required to perform their job duties in **excess of 12 hours providing direct benefit to the City,** in Emergency operations or protection of human life or property. The Finance Director and the City Manager may authorize Cal-Card payment, reimbursement or Per Diem expenses for employees in this circumstance (Federal OAS 5770.1). The City Manager, and Finance Director -must approve~~uthorize~~ the "Emergency Service Meal Approval Form" ~~in writing the need t~~to~~o~~ incur this type of expense, along with

documentation and receipts as required per~~in~~ this policy.

4.1 SPECIAL EVENTS

The City will reimburse expenses incurred for such meetings and hospitality as determined by the City Council to be appropriate. Costs for such special occasions will be determined by specific Council action authorizing such events (ex: July 4th Parade, Business Expo., etc.)

Employee Appreciation – Occasional parties, picnics, events, or meals to promote goodwill is allowable via direct payment or reimbursement, subject to available budget, Finance Director authorization, and the following criteria:

- The offer is extended to all employees/guests in the Department/ Division requesting the event.
- Authorized Payment Request form and **all substantiated receipts** must be submitted for reimbursement detailing date, time, location, reason for celebration, number of employees and meals provided.
- Cost must not exceed current Per Diem Rates for meal provided, per attendee.
- Alcohol is not an allowable city expense and will not be reimbursed or paid for with City funds.

Formatted: Font: Bold

4.2 STAFF MEETINGS

On-Site Staff Meetings- De Minimis (light) meals and refreshments may be reimbursed for staff meetings held on City premises. For example (coffee, soft drinks, doughnuts, snacks)

Off-Site Staff Meetings – On Occasion (not more than 3 times/year), Department Heads may find it beneficial to schedule off-site working meals to facilitate project planning or staff meetings. In such cases, it shall be at the discretion of the Finance Director and/or City Manager to use City funds to conduct business in this manner with available department budget per the following conditions:

- Meals must not exceed current Federal Per Diem rates per person.
- Meals must be provided to more than half (50%) of the Department and attended by the staff member conducting the meeting.
- Meals will ***NOT*** be reimbursed for a meeting solely between employees (must be 50% or more of departmental staff in attendance).
- Substantiated receipts and all other expenses associated with this meeting must be attached to a detailed Payment Request form signed by the Finance Director and include the following information:
    1) date, time and location of the meeting
    2) describe the need/purpose for the off-site meeting
    3) reason the meal had to be served during the meeting
    4) names of staff members present

4.3 INTERAGENCY BUSINESS MEETINGS AND TRAINING

On-Site Business Meetings/ Training: The city will pay for certain costs associated with an employee or City Official to attend or host a business meeting, training, or conference held on **City premises**, subject to the following:

- Printed materials, general office supplies, required training materials and supplies.
- De Minimis (light) snacks and refreshments (coffee, soft drinks, doughnuts, snacks).

Off-Site Business/ Interagency Meeting: Public funds should only be used for business activities related to the City's primary mission of providing quality public service. Public funds should not be used for purposes that are personal in nature or that do not have a clear business purpose. In general, the use of public funds for business meeting meals should be kept to a minimum.

"Off-Site" includes any facility, restaurant, food and beverage establishment, conference room, or location in lieu of a City owned facility.

"Interagency Meetings" are beneficial meetings used to discuss items of mutual interest between agencies, to promote cooperative efforts that not only benefit the agencies involved but the City as a whole.

- Cost of renting conference or meeting space while hosting a local meeting or training is allowable with Department Head approval and reasonable explanation as to why off-site accommodations are necessary.

- Employees may be **reimbursed** for "off-site" interagency business meeting meals when **all** the following criteria is met (Cal Card is prohibited):

  1. The main purpose of the combined business and meal is directly related to the active conduct of business regarding the City of South Lake Tahoe and business is conducted throughout the meal period.

  ~~1.~~2. Reimbursement is only for the meal costs of city employees at the meeting. The City cannot pay for meals of representatives from outside agencies~~y employees~~ or consultants, contractors or any other attendee .

  ~~2.~~3. It is justified that it was not practical or reasonable to schedule the meeting at a time other than a meal-time.

  ~~3.~~4. Meals will only be reimbursed at the current Federal Per Diem Rate for the meal time the expense was incurred. Employee will be responsible for costs above the Per Diem Rate.

  ~~4.~~5. Itemized receipts and documentation (agenda, minutes, event brochures etc.) must be submitted with a Reimbursement Request Form signed by the Finance Director along with the following information:
     a) date, time, location, names of those present at the meeting

Formatted: Font: Bold

Formatted: Font color: Auto

b) describe the need/purpose for the off-site meeting
c) reason the meal had to be served during the meeting

- **Elected City Officials** attending "off-site" business meetings, or events at the expense of the City, are subject to the requirements in ***California Government Code Article 2.3 Section 53232.3*** and must adhere to the following:

    1. Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

    2. Members of a legislative body requesting reimbursement for actual and necessary expenses incurred in the performance of official duties, must submit a detailed Reimbursement Request form subject to the requirements and documentation noted above.

4.4 UNALLOWABLE BUSINESS EXPENSES

- Expenses personal in nature, not related to conducting business for the City of South Lake Tahoe.
- Purchasing meals or entertainment for Vendors, Consultants, Suppliers, or Service Providers.
- Alcoholic Beverages
- Entertainment Expenses
- Meals purchased with a Cal Card is prohibited (see above for exceptions).
- Unauthorized expenses or those not documented on an approved Payment Request Form.

4.5 CURRENT PER DIEM RATES

Current Per Diem rates in 2023~~2~~ are as follows:
Breakfast: $17.00
Lunch: $18.00
Dinner: $34.00
Mileage: 65~~2~~.5 cents per mile
** rates subject to change per Federal Government General Services Administration (GSA) www.gsa.gov/perdiem

5. ACCOUNTING FOR EXPENSES:

Upon return from official function, a final accounting of all expenses must be approved by your approving official and submitted to Accounts Payable within ten working days.
A detailed Reimbursement Request Form with substantiated receipts and/or mileage documentation is required in all cases. Expenses paid with a Cal Card must be detailed on the Monthly Bank Card Purchase Report with itemized receipts attached.

Per IRS Section 15; to be excluded from taxable wages, your Payment Request Form or Cal Card Purchase Report must include the following:

- The business purpose of the meeting, training or conference (where applicable; attach meeting agenda, training registration, conference invitation etc.).
- The date, time, and location.
- Receipts for registration, parking and applicable meal expenses.
- Mileage documentation or gas receipts.
- All other required documentation outlined in this policy.
- Submit detailed Payment Request Form to Accounts Payable signed by authorized signor within 10 days of Meeting or Event when requesting reimbursement and/or;
- Submit detailed Monthly Bank Card Purchase Report with Cal Card Statement for allowable expenses paid with a Cal Card.

Formatted: Normal, Right: 0", Space Before: 2 pt, No bullets or numbering, Tab stops: 1.21", Left + Not at 1.17"

Authorized Signor approving expense reports are responsible to ensure:

- All expenses are reasonable, necessary and consistent with this policy.
- All required itemized receipts are attached.
- The final reconciliation is correct (balance due employee; balance due City).
- Amounts due to the City are reimbursed within 10 days.
- Final accounting on appropriate form is submitted to Finance.

* **Missing or Lost Receipts:** Reimbursement of expenses without receipts becomes taxable income. Therefore, the city will not reimburse employees without receipts. In the event receipts are not available, provide a written explanation to your Department Head, include a full description of the cost of expenses and reason the receipts are missing. IRS requires all of the information as noted above as well as the name of the establishment, the date of service, description of items/meals/service purchased, amount paid, include tax if applicable. If a personal credit card or debit card was used, provide a copy of the bank transaction. This written explanation must be approved by the Department Head and submitted to the Finance Director for approval. Once approved, submit this documentation with the Reimbursement Request form to Accounts Payable. The City reserves the right to require additional approval of the City Manager, where necessary or deny the reimbursement.

Formatted: Indent: Left: 0", Hanging: 0.96"

Failure to provide the required documentation on the appropriate authorized forms, necessitates the payments be taxable to the employee; therefore, the city will NOT reimburse any expenses without submittal of documentation in accordance with this policy.

5.1 FALSIFICATION OF EXPENSES

California Government Code

53232.4 Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting polices may include, but are not limited to, the following:

(a) The loss of reimbursement privileges.
(b) Restitution to the local agency.

(c) Civil penalties for misuse of public resources pursuant to Section 8314.
(d) Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code.

The City of South Lake Tahoe reserves the right to deny reimbursement of expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances may be approved by the City Manager, if those expenses do not violate Federal or State requirements and when in the City Manager's judgment, such expenses are justified. These expenses must be submitted on a detailed Reimbursement Request Form supported by documentation and written explanation of circumstances, signed by Department Head, Finance Director and City Manager.

6. FORMS AND PUBLICATIONS:

The following forms are required when requesting reimbursement of expenses or when using a Cal Card.

- Payment Request Form
- Monthly Bank Card Purchasing Report (Cal Card)

6.1 INTERNAL REVENUE SERVICE (IRS)/ CA Gov't Code

For additional information or clarification, refer to the following IRS publications.

- IRS Publication 15-B, Employers Tax Guide to Fringe Benefits for tax reporting requirement
- IRS Publication 463, Travel, Entertainment, Gift and Car Expenses
- IRS Publication 5318, Tax Cuts and Jobs Act, tax reform 2017
- California Code, Government Code AB1234– Gov §53232.3, §53232.4

PAYMENT REQUEST

Vendor#_____

Date Prepared: _____

Comments/Notes: _____

_____

Pay To: _____
_____
_____
_____

Due Date: _____

ACCOUNT NUMBER	DESCRIPTION	PO NUMBER	INVOICE DATE	INVOICE NUMBER	TOTAL PER ACCOUNT INVOICE

TOTAL PAYMENT: $_____

APPROVED: _____

APPROVED: _____ **Budget Available:** _____

APPROVED: _____ **Reimbursable:** _____

Project/ Funding Source: _____

Project/ Funding Source: _____

CITY OF SOUTH LAKE TAHOE

EMERGENCY SERVICE MEAL APPROVAL FORM

Per Local Training and Meeting Policy, one-day travel meals will not be reimbursed EXCEPT for employees required to perform their job duties in excess of 12 hours providing direct benefit to the City, in emergency operations or **protection of human life or property.**

Complete and submit this approved form to Accounts Payable with **itemized** receipts for reimbursement or with itemized receipts attached to Cal Card Statement.

The City Manager may authorize Cal-Card payment for employees in this circumstance (Federal OAS 5770.1).

NAME:	DEPARTMENT:

INCIDENT DATE: TIME START: END:	LOCATION:
NAME OF ALL STAFF MEMBERS RECEIVING MEAL:	
DESCRIBE THE NEED/PURPOSE/ REASON/ AND/OR EMERGENCY REQUIRING THE MEAL:	

- **Employees will be responsible for costs above the Per Diem Rate**

AMOUNT (ATTACH RECEIPT)	CITY ACCOUNT NUMBER
BREAKFAST (MAX $17): $	
LUNCH (MAX $18): $	
DINNER (MAX $34): $	
TOTAL: $	

Dept. Head Signature:	Date:
Finance Director:	Date:
City Manager:	Date:

Ver. August 2023

Formatted: Centered

CITY OF SOUTH LAKE TAHOE

Name: Card #: *####

Dept / Div: Statement Date:

MONTHLY CALCARD PURCHASE REPORT

ATTACH-MENT #	DATE	RECEIPT / INVOICE #	VENDOR'S NAME	DESCRIPTION OF PURCHASE	ACCOUNT # TO BE CHARGED	$ AMOUNT OF PURCHASE (from statement)	USE TAX 7.75% (if tax was not included by vendor)	$ AMOUNT OF PURCHASE (including Use Tax)	√ DIS-PUTED ITEM
1								$ -	
2								$ -	
3								$ -	
4								$ -	
5								$ -	
6								$ -	
7								$ -	
8								$ -	
9								$ -	
10								$ -	
11								$ -	
12								$ -	
						$ -	$ -	$ -	

I certify that all purchases listed on this statement, unless noted in the "√ Disputed Item" column, are true and correct and were made for official City of South Lake Tahoe use. All goods or services have been received & payment is authorized. I.M.P.A.C. has been notified of all disputed items and a copy of the Cardholder Statement of Questioned Items is attached.

Cardholder signature: _____ Date: _____

Approving official signature: _____ Date: _____

CITY OF SOUTH LAKE TAHOE

EMERGENCY SERVICE MEAL APPROVAL FORM

Per Local Training and Meeting Policy, one-day travel meals will not be reimbursed EXCEPT for employees required to perform their job duties in excess of 12 hours providing direct benefit to the City, in emergency operations or **protection of human life or property.**

Complete and submit this approved form to Accounts Payable with **itemized** receipts for reimbursement or with itemized receipts attached to Cal Card Statement.

The City Manager may authorize Cal-Card payment for employees in this circumstance (Federal OAS 5770.1).

NAME:	DEPARTMENT:

INCIDENT DATE: TIME START: END:	LOCATION:
NAME OF ALL STAFF MEMBERS RECEIVING MEAL:	
DESCRIBE THE NEED/PURPOSE/ REASON/ AND/OR EMERGENCY REQUIRING THE MEAL:	

- **Employees will be responsible for costs above the Per Diem Rate**

AMOUNT (ATTACH RECEIPT)	CITY ACCOUNT NUMBER
BREAKFAST (MAX $17): $	
LUNCH (MAX $18): $	
DINNER (MAX $34): $	
TOTAL: $	

Dept. Head Signature:	Date:
Finance Director:	Date:
City Manager:	Date:

Ver. August 2023

Formatted: Indent: Left: 4.02"

Formatted: Left, Indent: Left: 4.02"

FINANCIAL MANAGEMENT
LOCAL TRAINING AND MEETING POLICY

These guidelines establish the basic policies and procedures for local travel, training, and meeting expenses required for City business; ***NOT*** requiring an overnight stay. All City employees and City officials utilizing public resources for City business purposes are responsible for knowing and following this policy.

Table of Contents

This Policy is organized into the following seven sections:

1. General Standards 2

2. Delegation of Authority 2

3. One Day Travel 3

3.1 Local Meeting and Training 3
3.2 Transportation Costs 3
3.3 Local Travel Meals 4

4. Local Business and Meeting 4
*** Meal Exceptions 4**
4.1 Special Events 5
4.2 Staff Meetings 5
4.3 Interagency Business Meetings and Training 6
4.4 Unallowable Business Expenses 7
4.5 Current Per Diem Rates 7

5. Accounting for Expenses 7-8
*** Missing or Lost Receipts 8**
5.1 Falsification of Expenses 8-9

6. Forms and Publications 9
6.1 IRS Publications and CA Gov't Code 9
Payment Request Form 10
Emergency Meal Approval Form 11
Monthly Cal Card Purchase Report 12

1. GENERAL STANDARDS:

The purpose of this policy is to provide guidance on the reimbursement of Local Travel, Training, Meeting, and/or Business Expenses incurred on official business within the local area of an employee's official worksite, or for travel ***not*** requiring an overnight stay. These include necessary and reasonable expenses as defined under Section 162 of the Internal Revenue Code for purposes of Federal and State Income Tax Laws.

This policy covers local business expenses and transportation. It does not cover business trips where there is an overnight stay involved. This is addressed in the Travel Policy.

"Local travel" means travel necessary to conduct official business and is performed by the most direct route within and adjacent to an employee's official worksite which does ***not*** require an overnight stay. This is considered ***"one-day"*** travel.

Adoption and Implementation: The City Council is responsible for adopting the City's Local Travel, Training, and Meeting Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to reimbursable City expenditures are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

General Policy: Public funds should be used only for activities related to the City's primary mission of providing quality public service. Public funds should not be used for purposes that are personal in nature or that do not have a clear business purpose.

2. DELEGATION OF AUTHORITY:

The Authorized Signor is accountable for determining the use of public funds to be reasonable and justified by the purpose of the one-day travel, meeting, training or conference and responsible to review and approve Reimbursement Request Forms, Cal-Card Statements, as well as understanding the requirements of this policy.

Finance Director approves for:	City Manager
City Manager approves for:	Direct Report Employees, Department Heads, & City Clerk/Elected Officials
Department Heads approve for:	Division Managers, City Employees
Division Managers approve for:	Direct Report Employees

3. ONE-DAY TRAVEL:

All employees must receive permission for local travel and/ or training from their Department/Division Head prior to scheduling time away from their normal worksite.

3.1. LOCAL MEETING AND TRAINING COSTS

The City will direct pay or reimburse expenses incurred when attending meetings, trainings or conferences held locally, subject to the following:

- Registration fees, or other cost of attendance- employees can request direct payment to vendor, use a Cal Card, or be reimbursed upon completion.
- Department/Division Head should ensure there is enough budget in the appropriate expense line item to cover the costs.
- A Payment Request Form with all substantiated receipts must be submitted.
- If a Cal Card is used as payment, a Monthly Cal Card Purchase Report must be used with description/explanation of expenses and itemized receipts attached.

3.2. TRANSPORTATION COSTS

The most cost-effective means of transportation should be used while on City business. Staff is encouraged to use a City Vehicle for local travel.

- **City Vehicle -** If a City vehicle is used, employees are encouraged to obtain fuel at the Corporation Yard. If this option is unavailable, gas will be reimbursed **with receipt** upon return.

- **Personal Vehicle:** The employee will be reimbursed for mileage in accordance with current federal mileage rates. When an employee travels from home directly to a business-related event, the reimbursement shall include only those miles from the employees' normal place of work on that day. **To drive a privately-owned vehicle on City business, employees are required to:**

    1. Possess a valid license to drive in California.
    2. Carry liability insurance limits required by Human Resources with the City named as additional insured.
    3. Realize that any damage to the car or needed service/repair occurring on the trip will be the employees responsibility as these costs are included in the City's per mile cost reimbursement.

- **Vehicle Allowance:** Employees receiving a Vehicle Allowance are not eligible for mileage reimbursement or use of a City car for travel to locations that are less than 60 miles from their destination.

- **Parking** will be reimbursed at the lowest rate available. Receipts for parking, should accompany all reimbursement claims.

3.3. LOCAL TRAVEL MEALS

Per IRC §162(a)(2) IRS Publication 15:

Meals Away From Tax Home But Not Overnight are taxable as wages to the employee because travel must be away from the home work-site overnight to be excludable.

Example: An employee is required to work off-site for the day but not overnight; these meals would be considered taxable as wages.

- City employees shall be expected to provide their own meals and refreshments while working offsite or attending meetings, trainings, and conferences for which no overnight travel is required. ***One day travel meals will not be reimbursed. CAL-Cards or Petty Cash cannot be used for meal costs.***

4. LOCAL TRAINING , BUSINESS AND MEETING EXPENSES:

This section defines the circumstances under which a staff member or elected official can be reimbursed for business or meeting expenses not related to local or overnight travel, incurred on behalf of official business for the City of South Lake Tahoe.

Please note: **Procurement cards (CAL-Card), or Petty Cash, cannot be used as payment for meals.** Please see Section 8 (Restricted and prohibited purchases) of the Cal-Card User Handbook or refer to Financial Policies-Cash, for disbursement of Petty Cash requirements.

The ONLY CAL-Card exceptions are the following:

1) Meals provided on **City premises** to City Council and required staff during official City Council or other legislative meetings requiring officials to remain **on-site** throughout a meal period.

2) De Minimis **(**Light) snacks and refreshments for on-site trainings, meetings, or interview panels held on **City premises**. For example (coffee, juice, snacks)

3) Meals for employees required to perform their job duties in **excess of 12 hours providing direct benefit to the City,** in Emergency operations or protection of human life or property. The Finance Director and the City Manager may authorize Cal-Card payment, reimbursement or Per Diem expenses for employees in this circumstance (Federal OAS 5770.1). The City Manager, and Finance Director must approve the **"Emergency Service Meal Approval Form"** to incur this type of expense, along with documentation and receipts as required in this policy.

4.1 SPECIAL EVENTS

The City will reimburse expenses incurred for such meetings and hospitality as determined by the City Council to be appropriate. Costs for such special occasions will be determined by specific Council action authorizing such events (ex: July 4th Parade, Business Expo., etc.)

Employee Appreciation – Occasional parties, picnics, events, or meals to promote goodwill is allowable via direct payment or reimbursement, subject to available budget, Finance Director authorization, and the following criteria:

- The offer is extended to all employees/guests in the Department/ Division requesting the event.
- Authorized Payment Request form and all substantiated receipts must be submitted for reimbursement detailing date, time, location, reason for celebration, number of employees and meals provided.
- Cost must not exceed current Per Diem Rates for meal provided, per attendee.
- Alcohol is not an allowable city expense and will not be reimbursed or paid for with City funds.

4.2 STAFF MEETINGS

On-Site Staff Meetings- De Minimis (light) meals and refreshments may be reimbursed for staff meetings held on City premises. For example (coffee, soft drinks, doughnuts, snacks)

Off-Site Staff Meetings – On Occasion (not more than 3 times/year), Department Heads may find it beneficial to schedule off-site working meals to facilitate project planning or staff meetings. In such cases, it shall be at the discretion of the Finance Director and/or City Manager to use City funds to conduct business in this manner with available department budget per the following conditions:

- Meals must not exceed current Federal Per Diem rates per person.
- Meals must be provided to more than half (50%) of the Department and attended by the staff member conducting the meeting.
- Meals will ***NOT*** be reimbursed for a meeting solely between employees (must be 50% or more of departmental staff in attendance).
- Substantiated receipts and all other expenses associated with this meeting must be attached to a detailed Payment Request form signed by the Finance Director and include the following information:
    1) date, time and location of the meeting
    2) describe the need/purpose for the off-site meeting
    3) reason the meal had to be served during the meeting
    4) names of staff members present

4.3 INTERAGENCY BUSINESS MEETINGS AND TRAINING

On-Site Business Meetings/ Training: The city will pay for certain costs associated with an employee or City Official to attend or host a business meeting, training, or conference held on **City premises**, subject to the following:

- Printed materials, general office supplies, required training materials and supplies.
- De Minimis (light) snacks and refreshments (coffee, soft drinks, doughnuts, snacks).

Off-Site Business/ Interagency Meeting: Public funds should only be used for business activities related to the City's primary mission of providing quality public service. Public funds should not be used for purposes that are personal in nature or that do not have a clear business purpose. In general, the use of public funds for business meeting meals should be kept to a minimum.

"Off-Site" includes any facility, restaurant, food and beverage establishment, conference room, or location in lieu of a City owned facility.

"Interagency Meetings" are beneficial meetings used to discuss items of mutual interest between agencies, to promote cooperative efforts that not only benefit the agencies involved but the City as a whole.

- Cost of renting conference or meeting space while hosting a local meeting or training is allowable with Department Head approval and reasonable explanation as to why off-site accommodations are necessary.

- Employees may be **reimbursed** for "off-site" interagency business meeting meals when **all** the following criteria is met (Cal Card is prohibited):

    1. The main purpose of the combined business and meal is directly related to the active conduct of business regarding the City of South Lake Tahoe and business is conducted throughout the meal period.

    2. Reimbursement is only for the meal cost for city employees at the meeting. The City cannot pay for meals of representatives from outside agencies, consultants, contractors, or any other attendee.

    3. It is justified that it was not practical or reasonable to schedule the meeting at a time other than a mealtime.

    4. Meals will only be reimbursed at the current Federal Per Diem Rate for the meal time the expense was incurred. Employee will be responsible for costs above the Per Diem Rate.

    5. Itemized receipts and documentation (agenda, minutes, event brochures etc.) must be submitted with a Reimbursement Request Form signed by the Finance Director along with the following information:

a) date, time, location, names of those present at the meeting
b) describe the need/purpose for the off-site meeting
c) reason the meal had to be served during the meeting

- **Elected City Officials** attending "off-site" business meetings, or events at the expense of the City, are subject to the requirements in ***California Government Code Article 2.3 Section 53232.3*** and must adhere to the following:

  1. Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

  2. Members of a legislative body requesting reimbursement for actual and necessary expenses incurred in the performance of official duties, must submit a detailed Reimbursement Request form subject to the requirements and documentation noted above.

4.4 UNALLOWABLE BUSINESS EXPENSES

- Expenses personal in nature, not related to conducting business for the City of South Lake Tahoe.
- Purchasing meals or entertainment for Vendors, Consultants, Suppliers, or Service Providers.
- Alcoholic Beverages
- Entertainment Expenses
- Meals purchased with a Cal Card is prohibited (see above for exceptions).
- Unauthorized expenses or those not documented on an approved Payment Request Form.

4.5 CURRENT PER DIEM RATES

Current Per Diem rates in 2023 are as follows:
Breakfast: $17.00
Lunch: $18.00
Dinner: $34.00
Mileage: 65.5 cents per mile
** rates subject to change per Federal Government General Services Administration (GSA) www.gsa.gov/perdiem

5. ACCOUNTING FOR EXPENSES:

Upon return from official function, a final accounting of all expenses must be approved by your approving official and submitted to Accounts Payable within ten working days.
A detailed Reimbursement Request Form with substantiated receipts and/or mileage documentation is required in all cases. Expenses paid with a Cal Card must be detailed on the Monthly Bank Card Purchase Report with itemized receipts attached.

Per IRS Section 15; to be excluded from taxable wages, your Payment Request Form or Cal Card Purchase Report must include the following:

- The business purpose of the meeting, training, or conference (where applicable; attach meeting agenda, training registration, conference invitation etc.).
- The date, time, and location.
- Receipts for registration, parking, and applicable meal expenses.
- Mileage documentation or gas receipts.
- All other required documentation outlined in this policy.
- Submit detailed Payment Request Form to Accounts Payable signed by authorized signor within 10 days of Meeting or Event when requesting reimbursement and/or;
- Submit detailed Monthly Bank Card Purchase Report with Cal Card Statement for allowable expenses paid with a Cal Card.

Authorized Signor approving expense reports are responsible to ensure:

- All expenses are reasonable, necessary, and consistent with this policy.
- All required itemized receipts are attached.
- The final reconciliation is correct (balance due employee; balance due City).
- Amounts due to the City are reimbursed within 10 days.
- Final accounting on appropriate form is submitted to Finance.

- **Missing or Lost Receipts:** Reimbursement of expenses without receipts becomes taxable income. Therefore, the city will not reimburse employees without receipts. In the event receipts are not available, provide a written explanation to your Department Head, include a full description of the cost of expenses and reason the receipts are missing. IRS requires all the information as noted above as well as the name of the establishment, the date of service, description of items/meals/service purchased, amount paid, include tax if applicable. If a personal credit card or debit card was used, provide a copy of the bank transaction. This written explanation must be approved by the Department Head and submitted to the Finance Director for approval. Once approved, submit this documentation with the Reimbursement Request form to Accounts Payable. The City reserves the right to require additional approval of the City Manager, where necessary or deny the reimbursement.

Failure to provide the required documentation on the appropriate authorized forms, necessitates the payments be taxable to the employee; therefore, the city will NOT reimburse any expenses without submittal of documentation in accordance with this policy.

5.1 FALSIFICATION OF EXPENSES

California Government Code

53232.4 Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting polices may include, but are not limited to, the following:

(a) The loss of reimbursement privileges.
(b) Restitution to the local agency.

(c) Civil penalties for misuse of public resources pursuant to Section 8314.
(d) Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code.

The City of South Lake Tahoe reserves the right to deny reimbursement of expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances may be approved by the City Manager, if those expenses do not violate Federal or State requirements and when in the City Manager's judgment, such expenses are justified. These expenses must be submitted on a detailed Reimbursement Request Form supported by documentation and written explanation of circumstances, signed by Department Head, Finance Director and City Manager.

6. FORMS AND PUBLICATIONS:

The following forms are required when requesting reimbursement of expenses or when using a Cal Card.

- Payment Request Form
- Monthly Bank Card Purchasing Report (Cal Card)

6.1 INTERNAL REVENUE SERVICE (IRS)/ CA Gov't Code

For additional information or clarification, refer to the following IRS publications.

- IRS Publication 15-B, Employers Tax Guide to Fringe Benefits for tax reporting requirement
- IRS Publication 463, Travel, Entertainment, Gift and Car Expenses
- IRS Publication 5318, Tax Cuts and Jobs Act, tax reform 2017
- California Code, Government Code AB1234– Gov §53232.3, §53232.4

PAYMENT REQUEST

Vendor#_____

Date Prepared: _____

Comments/Notes: _____

_____

Pay To: _____
_____
_____
_____

Due Date: _____

ACCOUNT NUMBER	DESCRIPTION	PO NUMBER	INVOICE DATE	INVOICE NUMBER	TOTAL PER ACCOUNT INVOICE

TOTAL PAYMENT: $_____

APPROVED: _____

APPROVED: _____ **Budget Available:** _____

APPROVED: _____ **Reimbursable:** _____

Project/ Funding Source: _____

Project/ Funding Source: _____

CITY OF SOUTH LAKE TAHOE

EMERGENCY SERVICE MEAL APPROVAL FORM

Per Local Training and Meeting Policy, one-day travel meals will not be reimbursed EXCEPT for employees required to perform their job duties in excess of 12 hours providing direct benefit to the City, in emergency operations or **protection of human life or property.**

Complete and submit this approved form to Accounts Payable with **itemized** receipts for reimbursement or with itemized receipts attached to Cal Card Statement.

The City Manager may authorize Cal-Card payment for employees in this circumstance (Federal OAS 5770.1).

NAME:	DEPARTMENT:

INCIDENT DATE: TIME START: END:	LOCATION:
NAME OF ALL STAFF MEMBERS RECEIVING MEAL:	
DESCRIBE THE NEED/PURPOSE/ REASON/ AND/OR EMERGENCY REQUIRING THE MEAL:	

- **Employees will be responsible for costs above the Per Diem Rate**

AMOUNT (ATTACH RECEIPT)	CITY ACCOUNT NUMBER
BREAKFAST (MAX $17): $	
LUNCH (MAX $18): $	
DINNER (MAX $34): $	
TOTAL: $	

Dept. Head Signature:	Date:
Finance Director:	Date:
City Manager:	Date:

Ver. August 2023

CITY OF SOUTH LAKE TAHOE

Name:

Card #: *#####

Dept / Div:

Statement Date:

MONTHLY CALCARD PURCHASE REPORT

ATTACH-MENT #	DATE	RECEIPT / INVOICE #	VENDOR'S NAME	DESCRIPTION OF PURCHASE	ACCOUNT # TO BE CHARGED	$ AMOUNT OF PURCHASE (from statement)	USE TAX 7.75% (if tax was not included by vendor)	$ AMOUNT OF PURCHASE (including Use Tax)	√ DIS-PUTED ITEM
1								$ -	
2								$ -	
3								$ -	
4								$ -	
5								$ -	
6								$ -	
7								$ -	
8								$ -	
9								$ -	
10								$ -	
11								$ -	
12								$ -	
						$ -	$ -	$ -	

I certify that all purchases listed on this statement, unless noted in the "√ Disputed Item" column, are true and correct and were made for official City of South Lake Tahoe use. All goods or services have been received & payment is authorized. I.M.P.A.C. has been notified of all disputed items and a copy of the Cardholder Statement of Questioned Items is attached.

Cardholder signature: _____ Date: _____

Approving official signature: _____ Date: _____

FINANCIAL MANAGEMENT PROCUREMENT POLICY

These guidelines establish the basic policies and procedures for the procurement of goods and services in accordance with City Ordinance Adopted and Approved by the City Council August 8~~9~~, 2023~~2~~. Procedures are drafted by the Finance Dept. in coordination with the City Attorney and City Manager's office. All City employees responsible for the procurement of goods and services while conducting City business are responsible for knowing and following this policy.

Quick Guide to Purchasing

Dollar limit	For Materials, Supplies, Equipment & Services	Forms Required	Approval Authority
$0 $9,999	Discretionary purchases: no competitive bid required. Purchase using Cal Card, or vendor invoice- signed, with account number. **ALL services performed by an outside vendor at a City-owned property require a Purchase Order or PSA.**	Signed invoice or e-mail approval with acct. number PO for service	Supervisor/ Designated Purchaser
$10,000 – $29,999	Requires 3 informal quotes, cooperative contract, or Sole Source Justification form. Purchase using approved vendor invoice, or PO with budgeted account number. ***ALL services performed by an outside vendor require a Purchase Order or Professional Services Agreement.**	3-Quotes or Sole Source form, Co-op contract#, PO, or invoice w/ acct#	Department Head
$30,000 – $59,999	Requires 3 informal quotes, co-op contract, or Sole Source Justification form. Provide budgeted account number and proper signing authority. ***ALL services and purchases of goods at this threshold require a PO and/or written contract approved by Dept. Head & City Manager.**	All above + PO, PSA/ or Purchase Agreement	Department Head and City Manager
$60,000 +	Requires Formal Bid process with City Council approval. **All services and purchases of goods require a written contract approved by the City Attorney's office as well as City Council approval.**	All above + - RFP or BID -Staff report	City Council Award- invoices signed by DH, CM

NOTE: ALL construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting and repair work involving **ANY publicly owned, leased, or operated facility** is considered a **Public Project** and is subject to the City's Public Works Code and the Uniform Public Construction Cost Accounting Act." (City Code SLTCC § 3.45, Article II). **Contact the Public Works Department (ext. 6034) for further direction prior to engaging in any of these activities.**

TABLE OF CONTENTS

Formatted: Justified

This policy is organized into the following Five sections: Page

1. General Standards……..……. 4

1.1. Code of Ethics…….…….…… 4
1.2. Conflict of Interest ……. 5
1.3. Public Projects (CUPCCAA) …….. 5-6
1.4. On-Site Services…….…...~~6~~7
1.5. Splitting Purchases …….. ~~6~~7
1.6. Sole Source Purchasing ……..…. ~~6~~ 7
1.7. Environmentally Preferable Products……~~8~~7
1.8. SB 1383 Recovered Organic Waste Products ……..~~8~~7
1.9. Cooperative Purchasing…… 8-9
1.10. Business License Requirement……9~~8~~
1.11. Budget Appropriation……. ~~8~~ 9
1.12. Disposition of Surplus…… 10~~9~~

2. Discretionary Purchases (less than $10,000)……..…… 10-14~~9~~

Formatted: Justified

2.1. Signature Authority……..~~9~~ 10
2.2. Purchases utilizing Federal Funds/Other Revenue …….. 11~~0~~
2.3. Discretionary Process……..……..11~~0~~

3. Informal Solicitations ($10,000 - $59,999)……..……..…… . 11-12~~0~~

3.1. Signature Authority…….. 11~~0~~
3.2. Equipment and Capital Expenditures ……..……..……11-12
3.3. Informal Bid and Proposal Process ……..……12-13
3.4. Purchase Orders……..……..,……..…14~~3~~
3.5. Purchase Agreement……..……..……..……14~~3~~
3.6. Professional Service Agreement……14~~3~~

4. Formal Solicitations ($60,000 and above) ……..…..…14-15~~3~~

4.1. Signature Authority……..…..…15~~4~~
4.2. Formal Bidding Process……..……15~~4~~

Formatted: Justified

Formatted: Justified

Public Projects…….…..…..154
Request for Proposals (services or consultants)……154
Requests for Qualifications (pre-qualification for consultants) ……..…….154
Invitation to Bid (goods, materials, equipment) ……...14-15
4.3. Local Business Preference……165
4.4. Bidders Security……165
4.5. Bid and RFP/RFQ Evaluations ……..……15-16-17
Rejections/ Tie Bids ……..……...17
Less than three Bids/ No Bids Received……..……..187
Waiver of Irregularities and Rejection of Bids……18
4.6. City Council Staff Recommendations……...18-197
Staff Report/ Resolution …….. 197-18
4.7. Bid Protests……...…198
4.8. Maintaining Documentation……..2019

5. Forms and Boiler Plates

Exhibit A- Payment Request Form…..…… 220

Exhibit B - Sole Source Justification ..…….242

Exhibit C – Request for Quotes ……264

Exhibit D – Contract/Agreement Routing Form……...286

Exhibit E – Bid Evaluation Forms and Scoresheet…….. 302338-31

Exhibit F – Standard RFP/RFQ required template ……....343-420

Exhibit G – Standard PSA (Professional Services Agreement) …….. 443-6058

Exhibit H – Standard Invitation to Bid……..….. 610-7067

Exhibit I – Standard Purchasing Agreement (Contract for Goods)……..… 7169-8078

Formatted: Justified

Exhibit J – Bid Rejection Letter……82~~80~~

Exhibit K – Bid Acceptance Letter ……..842

Exhibit L – Instructions to create a PO ……..…...85~~4~~-94~~3~~

1. GENERAL STANDARDS:

The City's Purchasing Ordinance (SLTCC § 3.45) and Procurement Policy are in place as guideline to ensure materials and services are purchased in a legal and cost-effective manner. The purchasing functions are decentralized, with each Department/Division responsible for procuring their own goods, services, and contracts, and maintaining compliance with City policies and procedures. Employees and City Officials are responsible for exercising good judgment in requesting, approving, and procuring goods, services, and contracts on behalf of the City of South Lake Tahoe to provide prudent stewardship of public funds and City resources.

Adoption and Implementation: The City Council is responsible for adopting the City's Purchasing Ordinance and Procurement Policy and approving significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to City procurement are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

1.1 CODE OF ETHICS

Public employees and officials shall act in good faith to perform their duties ensuring fair and equitable treatment of all persons dealing with government procurement; to foster public confidence in the integrity of the procurement process; and to ensure the appropriate application of purchasing ethics. When engaging in procurement, any person employed by the City of South Lake Tahoe, or vendors and third parties doing business with the City of South Lake Tahoe, shall be bound by this code of ethics, including but not limited to the following:

1. Avoid the intent and appearance of unethical behavior or fraudulent practices;
2. Diligently follow the procurement laws, rules, and procedures;
3. Refrain from any activity that would create a conflict between personal interests and the interests of the City;
4. Identify and eliminate any conflicts of interest;

5. Avoid soliciting or accepting money, loans, credits, discounts, favors, gifts, or services from present or potential suppliers which may influence or appear to influence purchasing decisions;
6. Ensure that all persons are afforded equal opportunity to compete in a fair and open environment, and;
7. Encourage any person, including any actual or prospective bidder, offeror, contractor, or business to act in good faith to practice purchasing ethics, and display business integrity as a responsible offeror.

1.2 Conflict of Interest

Any officer or employee of the City acting or appearing to act on behalf of someone other than the City; or in carrying out duties has or appears to have a self-interest from which a personal profit or gain is realized or that is actually or potentially adverse to the best interests of the City is displaying a "conflict of interest".

No officer or employee of the City shall have any interest, financial or otherwise, direct, or indirect, or have any arrangement that may reasonably be expected to bias the procurement process or influence the bidding and purchasing of goods, services, or public projects. Officials and employees of the City shall avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain
- Giving preferential treatment to any person or organization
- Losing complete independence or impartiality
- Making an official decision outside official channels
- Adversely affecting public confidence in the City and the procurement process
- Or any other Conflict of Interest, real or perceived

The City of South Lake Tahoe reserves the right to deny approval, purchase, payment, or reimbursement of expenses that are considered fraudulent, lavish, extravagant, or are unsupported by* required *documentation.

1.3 PUBLIC PROJECTS

ALL construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting, and repair work involving **ANY** publicly owned, leased, or operated facility is considered a **Public Project** and is subject to the City's Public Works Code and the Uniform Public Construction Cost Accounting Act." **(CUPCCAA)** (City Code SLTCC § 3.45, Article II)

Prequalification: The City may require each prospective bidder for a contract to submit a standardized questionnaire and financial statement in the form specified by the director of public works. The City may establish a process for prequalifying prospective bidders on a quarterly basis, and a prequalification pursuant to this process shall be valid for one calendar year following the date of initial prequalification. The director of public works is authorized to establish such a quarterly prequalification process. Refer to City Code for bidder appeal process. (City Code SLTCC § 3.45.105)

Formatted: Font: Bold, Italic

Formatted: Font: (Default) Times New Roman, 12 pt

Director of public works authority for Public Projects: Public project contracts of **$60,000** or less may be executed by the director of public works or his or her designee by force account, negotiated contract, or purchase order. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California. This includes contract change orders up to this amount.

Informal bidding for Public Projects: Monetary Limit. Public contracts of **$200,000** or less may be executed by the director of public works or his or her designee as well as let to contract by informal procedures as set forth in this section. Contract change orders up to this amount may be approved by the director of public works, so long as the combined amounts are within the approved project budget. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

1. Contractors List: The city shall maintain a contractors list and contractors shall be selected to perform public projects in accordance with the provisions of Public Contract Code Section 22034.
2. Notice Inviting Informal Bids: Not less than 10 calendar days before bids are due, the city will mail notices inviting informal bids to all contractors on the contractors list and/or all trade journals specified in Public Contract Code Section 22034(b).

Formal Competitive Bidding: Public projects of **greater than $200,000** shall be bid in accordance with the procedures set forth in Public Contract Code Section 22037 et seq. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-22)

Lowest Responsible Bidder: Contracts for public projects shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the city may accept the one it chooses. In determining the lowest responsible bidder, the following factors may be considered in addition to price:

~~1.~~ The ability, capacity and skill of the bidder to perform the contract or provide the service required;

1. The character, integrity, reputation, judgment, experience, efficiency and performance demonstrated in previous contracts or services for the city;
2. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the services;
3. The ability of the bidder to provide future maintenance for service for the public project. (Ord. 1171 § 1; Ord. 1165 § 1; Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-25)

Design-Build Contracts: The purpose of this section is to authorize and provide guidelines for the award and use of "design-build contracts," which means a public project procurement method in which both the design and construction of the project are procured from a single entity, in accordance with Public Contract Code Section 22160 et seq. This section shall be effective until January 1, 2025, unless the authorizing statute is extended, in which case this section shall be effective so long as Public Contract Code Section 22160 et seq. is in effect.

Formatted: Font: Bold, Italic
Formatted: Font: (Default) Times New Roman, 12 pt
Formatted: p1, Justified, No bullets or numbering, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers, Font Alignment: Baseline, Pattern: Clear (White), Tab stops: Not at 0.5"
Formatted: Justified
Formatted: Font: (Default) Times New Roman, 12 pt
Formatted: Font color: Auto, Pattern: Clear
Formatted: Font: Bold, Italic
Formatted: Font: Italic
Formatted: Font: (Default) Times New Roman, 12 pt
Formatted: Font: (Default) Times New Roman, 12 pt
Formatted: Font: (Default) Times New Roman, 12 pt
Formatted: Font: (Default) Times New Roman, 12 pt
Formatted: Font: (Default) Times New Roman, 12 pt

1. Design-build procurement may be used for public projects in excess of $1,000,000 consisting of the construction of a building or buildings and improvements directly related thereto and park and recreational facilities, and may not be used for construction of other infrastructure including, but not limited to, streets and highways;
2. Any architectural firm, engineering firm, specialty consultant, or individual retained by the city to assist in the development of plans, designs, performance standards, or the request for proposals shall not be eligible to submit a proposal as a design-build entity or join a design-build team.
3. Refer to City Code SLTCC § 3.45.165 Design-build contracts for additional guidelines when utilizing this method for procurement.

Contact the Public Works Department (ext. 6034) for further direction prior to engaging in any activity considered to be a Public Project per definition above.

1.4 ON-SITE SERVICES

On-Site Service: any repair service, maintenance, professional service, or service of any kind conducted on the property of any city-owned facility or property is subject to the following:

1. Regardless of dollar amount, a Purchase Order (PO), Professional Service Agreement (PSA), or Written Contract must be used for ALL On-Site Services.
2. Cal-Cards are prohibited as a payment for On-Site Services.

1.5 SPLITTING PURCHASES

***Splitting Purchases Prohibited*:** Pursuant to SLTCC § 3.45.050, it is unlawful to split or separate any public project into smaller work orders or projects for the purpose of circumventing or evading these requirements.

Bifurcation of Purchases: No acquisition of materials, supplies, equipment or services from a single vendor, provider, or contractor shall be accomplished by the issuance of several purchase orders or contracts for portions thereof.

1.6 SOLE SOURCE PURCHASING

Pursuant to SLTCC § 3.45.060; where an acquisition would otherwise be subject to competitive bidding, the procurement of materials, supplies, equipment, or services from a Sole Source may be permitted only when submitting an approved Sole Source Justification Form (Exhibit B) and one of the following conditions exists:

1. **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.
2. **Emergency Purchase**: Non-public projects requiring public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, per SLTCC

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font: (Default) Times New Roman, 12 pt, Font color: Auto, Pattern: Clear

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font color: Auto, Pattern: Clear

Formatted: Justified, Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Font color: Auto, Pattern: Clear

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: List Paragraph, Justified

§ 3.45.070. Whereas the procedures set forth in this policy would result in hazardous delays, loss to the City, or damage to life, health, safety of citizens, the City Manager may approve the non-competitive purchase of materials, supplies, equipment, or services. For Public Projects, refer City Code § 3.45.180, and Public Contract Code Section 22050.

3. **Sole Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.
4. **Federal Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (attach authorization to this form)
5. **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc. *(When using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes).*

1.7 ENVIRONMENTALLY PREFERABLE PRODUCTS

Pursuant to SLTCC § 3.45.080; the city desires to purchase environmentally preferable products that minimize environmental impacts, reduce waste by increasing product efficiency, contain recycled content, and contain U.S. Environmental Protection Agency Energy Star-certified materials whenever economically feasible.

1.8 **SB 1383 RECOVERED ORGANIC WASTE PRODUCTS**

Beginning January 1, 2022, SB 1383 requires cities and counties to procure annually a quantity of recovered organic waste products. These procurement requirements will strengthen California's green, self-sustaining economy. Recovered organic waste products can benefit local communities and spaces, improve soil and air quality, and support local environmental initiatives, such as the City's Climate Action Plan.

CalRecycle will assign an annual procurement target to each jurisdiction based on its population. Jurisdictions can fulfill their target by procuring any combination of the following recovered organic waste products where applicable:

- Compost
- Mulch
- Renewable Energy (Transportation Fuel, Heat, and Electricity)

The City's Sustainability Coordinator will be responsible for collecting and maintaining the documents needed to support and demonstrate compliance with the SB 1383 regulatory target for recovered organic waste product procurement and the SB 1383 recycled-content paper regulatory requirements.

Pursuant to SB1383 and SLTCC §3.45.080, Departments should use best efforts in procuring and using "recycled organic products" to help the city meet its procurement target by:

1. Coordinating with the Sustainability Coordinator to identify applicable products.

2. Recognize areas in your department that could utilize these products.
3. Provide invoice copies to Sustainability Coordinator for tracking and reporting.

1.9 COOPERATIVE PURCHASING

Where another governmental agency performs a solicitation and/or bid process for the City and/or multiple agencies or jurisdictions, and where the purchase of materials, supplies and equipment is based upon an agreement or cooperative purchasing program pursuant to authority granted by statue or ordinance, pursuant to contractual arrangement between the city and said governmental agency, or pursuant to a determination by the City Manager that the governmental agency conducted a competitive bidding process, the City may purchase materials, supplies, and complying with the bidding requirements of this policy (ex: CMAS, NASPO, GMAS, SOURCEWELL) (SLTCC § 3.45.090).

1.8 BUSINESS LICENSE REQUIREMENT

The City shall not render payment to any vendor, contractor, or professional service provider where such vendor or provider does not possess a valid South Lake Tahoe business and professions tax certificate (SLTCC § 3.45.095). Contact the Revenue Dept. to inquire about a valid business license (ext. 6012 or ext. 6013).

1. It is the Departments responsibility to ensure the vendor, contractor, service provider, consultant, has a required Business License and appropriate requisite insurance (where applicable).
2. The license and insurance requisites must be obtained prior to purchase or work commencing.

1.9 BUDGET APPROPRIATION

Federal, State, and Local Governments are legally required to operate within an approved Municipal Budget. ***Article 1, Section 9, of the U.S. Constitution states, "No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law".***

1. Government Fund Accounting is required by California Law meaning each stream of revenue and associated expenses must be accounted for and tracked within a specific governmental fund.
2. Appropriated budget **MUST** be available and verified prior to **ANY** purchase, contract, or professional service agreement rendered.
3. If budget is not identified, or funding has not been approved and appropriated into the current fiscal year budget, **STOP**. Do not proceed with the purchase or contract until City

Council or the City Manager has appropriated budget in accordance with the following delegation of authority:

Transferring/ Adding Budget	Authorization
Transfers between budgeted line items within the same account number:	**Department Head-** via email to the Administrative Services Director
Transfers between account numbers within the same fund:	**City Manager-** via email from Dept. Head. CM will authorize adjustment via email to Admin. Services Director.
Transfers between funds: (including transfers from undesignated reserves)	**City Council-** via staff report and resolution with explanation for transfer
Adding new Budget (grants, new revenue, unforeseen expenses etc..)	**City Council** – via staff report and resolution with explanation and request to appropriate funding.

Formatted: Justified

Formatted: Justified

Formatted: Justified

Formatted: Justified

Formatted: Justified

1.10 DISPOSITION OF SURPLUS

Surplus property: Goods, materials, vehicles, equipment etc. retained by a government, but not currently being utilized. These items may be out of date, useless, or no longer working.

Surplus property shall be identified by the department; officially declared to the City Council for approval; eliminated from the fixed asset accountability list and; sold at auction or to any organization or non-employee willing to pay fair market price. Alternatively, the City Council may elect to donate or destroy the same in accordance with whatever provision and/or terms and conditions at City Council discretion.

In the event any single item of property's original value is less than $10,000, the Finance Director shall have the authority to sell, or dispose of such surplus supplies or equipment by donation to local schools or nonprofit organizations, or if surplus has no value, by disposal at a refuse company.

Proceeds from sale of surplus property will be allocated to the City's General fund or Vehicle Replacement fund unless the property was originally purchased under contractual obligations with monies from a specific fund, in which case, the proceeds will be returned to that fund.

2. DISCRETIONARY PURCHASES: $0 - $9,999.00

Items and services less than $10,000 can be purchased directly by a City department without a competitive bid process, this threshold must include tax, shipping, and handling. Purchasers should use best efforts and judgment to provide greatest value to the city.

2.1 SIGNING AUTHORITY

Discretionary Purchases require the approval signature of the Department Supervisor or the designated "Purchaser" for the department. Accounts Payable requires a valid invoice, appropriated account number, printed name, department, and authorized signature to complete a payment. An e-mail approval to pay invoice with account number is acceptable.

2.2 FEDERAL/OTHER REVENUE FUNDS

Purchases utilizing Federal Funds, Grant Funds or other Revenue Sources as the funding source require procurement compliance with this policy as well as the procurement standards set forth in the contract funding the purchase. Specifically, for Federal grant funding, Federal pass-through funding, or any other Federal revenue source, follow General Procurement Standards in the *Code of Federal Regulations (CFR); Title 2: Grants and Agreements section §200.318 through §200.326 (Micro purchase threshold §200.67)*. In determining purchasing bid thresholds while maintaining compliance with multiple policies; utilize the most stringent requirements to ensure meeting all standards and regulations.

2.3 DISCRETIONARY PROCESS

Following are preferred purchasing methods for purchases less than $10,000:

1. ***Cal-Card procurement card:*** purchase of non-service goods at this level. (refer to Cal Card Policy for further guidelines)
2. ***Direct vendor invoice***: include account number, "ok to pay", printed name, department and authorized signature on the invoice or attach Payment Request Form (Exhibit A) to the invoice.
3. ***Purchase Orders:*** when required by the Vendor, or for on-site service, refer to instructions in Exhibit L.

3. INFORMAL SOLICITATIONS: $10,000 - $59,999

Purchases and services between $10,000 and $59,999 are subject to **informal** bidding and proposal processes. In calculating the total amount; include tax, shipping, and handling as well as total lease or contract cost over the life of the contract or lease.

3.1 SIGNING AUTHORITY

$10,000 - $29,999: The Department Head may approve contracts and expenditures up to $29,999.99 and must sign all corresponding invoices, POs, and/or Requests for Payment, or provide authorized e-mail approval to Accounts Payable.

$30,000 - $59,999: Upon approval by Dept. Head, the City Manager must also approve and sign all Contracts, Purchasing Agreements, and/or POs between $30,000 and $59,999, as well as approve all invoices in this threshold. Authorized e-mail by DH and CM for approval is accepted for invoices.

3.2 EQUIPMENT AND CAPITAL EXPENDITURES

Capital Expenditure: funds used to acquire or upgrade the City's fixed assets, such as property, plant, equipment, facilities, and infrastructure.

Capital (fixed) Asset: any asset used in operations with an estimated useful life in excess of three years and generally has value over a longer period (ex. computer equipment, machinery, vehicles etc.).

1. When capital assets are acquired or deeded to the City, copies of related documents shall be routed to the Finance Department in a timely manner to ensure these assets are recorded in the City's financial records.
2. Fixed assets will be subject to inventory control if they meet at least one (1) of the following criteria:
    - The original cost of the fixed asset is equal to or greater than **$10,000** if classified as equipment, $50,000 if classified as buildings or land, or $200,000 if classified as infrastructure.
    - Any asset less than the capitalization threshold as recommended by the Finance Director or requested by a department to be controlled to satisfy an internal or external requirement.
    - Any asset required to be controlled and separately reported pursuant to grant conditions or other externally imposed reporting requirement.

Capital Expenditures utilizing <u>Federal Funds</u>: must follow Code of Federal Regulations CFR §200.313 and §200.439. These guidelines can be found at the link below: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Federal capital expenditures are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Notify A/P through e-mail or notation on invoice when purchasing equipment with Federal Funds costing $5,000 or more. A/P will provide an inventory tag to track the item as noted below.
3. Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the Federal Award Identification Number), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the

property, and any ultimate disposition data including the date of disposal and sale price of the property.

4. A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

3.3 INFORMAL BID AND PROPOSAL PROCESS

The following processes are to be followed by the ***Department Head or his/her Designee.***

1. Contact at least three individuals, companies and/or entities, documenting **in writing** each quote received (optional to use Request for Quotes Form (Exhibit C))
2. *Optional* - to reach a broad spectrum of qualified vendors, Planet Bids may be used to circulate a Request For Proposal (RFP), Request For Qualification (RFQ), or Invitation to Bid (BID).
3. Where three quotes **cannot** be obtained, complete a Sole Source Request Form approved by the Department Head , City Manager, City Attorney and Finance Director (Exhibit B). One of the requirements in this form must be met to utilize a Sole Source procurement option.
4. Department selects lowest responsible quote (i.e., Department selects quote which is responsive to the needs of the department and is the lowest in price).
5. For Professional Services, the department selects the vendor whose qualifications meet the highest evaluation ranking as the most responsible bidder.
6. **$10,000 - $29,999**: Professional Service Agreement (PSA), Purchase Order (PO), or direct invoice may be used, signed by Dept. Head.
7. **$30,000 - $59,999**: Purchase Agreement (PA), PSA, or PO must be used; reviewed by Finance and City Attorney, signed by City Manager
8. Department Head or designee (DH) prepares the contract **using the appropriate template** (see Exhibits F through I); negotiates and agrees upon terms, scope, and cost with chosen vendor/supplier and:
    - submits document along with Contract Routing Form (Exhibit D) to the Finance Director for budget review, who then forwards document to the City Attorney's Office for review and/or approval
    - City Attorney sends document to City Manager for approval
    - City Manager sends document to City Clerk to attest (where applicable) and for records retention. City Clerk sends executed copy back to the Department and mails copy to the vendor (where applicable).
9. Department sends the following documents to Accounts Payable for payment:
    - Signed invoice and/or PO, Request for Payment with Contract/Agreement

- Business License #
- Original Quotes
- Approved Sole source Request Form (if used)
- Proof of Insurance (when required)
- Gov't. cooperative contract information (if used)

3.4 PURCHASE ORDERS

Formatted: Justified

Purchase Orders **must** be used when requesting an **on-site service** of any kind on City property. This protects the City while outside vendors are doing business on/in City-owned property. Purchase Orders can be used when:

1. A vendor does not accept Cal-Cards for discretionary purchases
2. A vendor will not invoice the City without a PO
3. For any type of purchase up to $59,999
4. Clearly note the PO# on the approved invoice and send to Accounts Payable
5. Refer to Exhibit L for instructions in creating a PO

3.5 PURCHASE AGREEMENT

Purchase Agreements (PA) can be used as written contracts when purchasing goods, materials, equipment, and/or products. This type of agreement can NOT be used when procuring consultants for professional services or on-site service on City property. Purchase Agreements can be used when:

1. Purchases over $30,000 or when a written contract is necessary for such goods, materials, products, etc.
2. A vendor requires a written contract other than a PO
3. Submit copy of agreement with approved invoice to Accounts Payable for payment
4. Refer to Exhibit I for template (this template is mandatory when issuing a PA)

3.6 PROFESSIONAL SERVICES AGREEMENT

A Professional Service Agreement (PSA) is a legal contract which is drafted to provide service on a professional level to the City. These services are typically unique in nature, highly technical or require specific qualifications. PSA's can be used when:

1. A professional consultant is necessary to perform a specific set of tasks
2. Should generally be in effect for a specific period, noted in the agreement

3. Should include a "not to exceed" dollar limit
4. Submit a copy of PSA with first approved invoice to Accounts Payable for payment
5. Refer to Exhibit G for template (this template is mandatory when issuing a PSA)

4. FORMAL SOLICITATIONS: $60,000.00 and ABOVE

Purchases and services over $60,000 are subject to formal competitive bidding. Total cost should include tax, shipping, and handling; as well as total lease or contract cost over the life of the contract or lease. The process for obtaining goods and services over this dollar limit is set forth below.

4.1 SIGNING AUTHORITY

All purchases of goods and services **over $60,000** must have **City Council approval** and must be signed by the Mayor or have Mayor's authorization for City Manager as designee for signature.

4.2 FORMAL BIDDING PROCESS

The following processes are to be followed by the Department Head (DH) or his/her Designee. This may include any employee who is the designated purchaser of a good or service or is the project manager for a project.

1. **Public Projects** (i.e., CIP, Public Works) follow Public Contracts and Uniform Public Construction Cost Account Act (CUPCCA) per City Code SLTCC § 3.45, Article II.
2. Verify funding availability. Identify available funding in your current department budget. If there is no funding identified, prepare to request budget transfer or appropriate new funding source through City Council action. (see section 1.9)
3. Depending on the type of service and/or good sought, DH prepares and circulates a Request for Proposals (RFP), or Invitation to Bid (BID) utilizing **Planetbid.com** or circulated via similar means.
4. **Request for Proposals (RFP):** used for soliciting professional services, consultants, lease contracts, complex non-public projects.
    - RFPs are subject to three proposals but are **not** subject to competitive sealed bidding procedures
    - Must use mandatory RFP template (Exhibit F)
    - DH selects Proposal Evaluation Committee and drafts Evaluation Scorecard. Committee reviews Proposals and scores per criteria detailed in RFP.
5. **Request for Qualification (RFQ):** used as the pre-qualification stage of the procurement process. Only those proponents who successfully respond to the RFQ and meet the qualification criteria will be included in the subsequent RFP solicitation process.
    - Used when there is potential for significant interest in a contract opportunity. This can make the process more efficient as the field can be narrowed down prior to the RFP process.

- Can be used to create a pre-qualified list for a future opportunity
- Can be used as the sole selection process for straightforward projects/services that require a specialized skill set or where the task is very specific and contract negotiations can proceed with the most qualified vendor.

6. **Invitations to Bid (BID):** used when the City is seeking a specific good, material, equipment, tangible object.
    - BIDs are subject to competitive sealed bidding procedures
    - Must use mandatory BID template (Exhibit H)
    - DH selects BID Evaluation Committee and drafts BID Evaluation Scorecard per details outlined in the BID.
    - DH opens bids at the date, time, and location specified in the invitation. The public may attend. Bids shall be open for public inspection at the office of the DH during regular business hours for a period of 30 days after the bid opening.
    - Clarifications or changes to a BID must be transmitted to all participating bidders by an "Addendum". A solicitation may be modified prior to BID response due date.

4.3 LOCAL BUSINESS PREFERENCE

The City shall apply a five percent (5%) discount to all Local Businesses which submit bids for materials, supplies, equipment, and services for non-public projects. The City shall evaluate the Local Businesses' bids as though the bid had been submitted at a cost of 5% lower than the cost submitted (SLTCC § 3.45.020(F)). Local Business shall mean a business which maintains its principal place of business in a fixed office within the City of South Lake Tahoe and possesses a current South Lake Tahoe business license. (SLTCC § 3.45.095)

4.4 BIDDER'S SECURITY

When deemed necessary, bidder's security may be prescribed in invitations to bid, RFPs, and RFQs. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within ten days after receipt of contract (SLTCC § 3.45.020).

4.5 BID AND RFP/RFQ EVALUATIONS

BID or RFP Evaluation committee means the body appointed by the DH to review and evaluate proposals submitted in response to the Request for Proposal or Invitation to Bid. The functions of the Committee are as follows:

1. Determine and apply evaluation criteria per Evaluation Forms and Scoresheet
2. Evaluate proposals individually and/or discuss as a committee
3. Rank based on highest score to lowest and/or develop a shortlist

4. Interview/ obtain clarifications
5. Recommend Award

Evaluation Committee shall be comprised of at least three (3) individuals, including:

- At least one employee from the same department as the Department Head
- An employee with knowledge of the subject matter of the service or good, or end user of the service or good
- An employee of the Finance Department
- May also include outside individuals who bring expertise to the process

- ***Evaluation Committee*** **should meet prior to evaluation to review RFP or BID criteria to ensure knowledge of the proposal and to vet questions, concerns, or issues. All members of the committee should have clear understanding of the requirements and the Evaluation Forms prior to review of RFP/BID.**

Evaluation Form- Bids and Proposals shall be evaluated based on an Evaluation Form which sets forth the total possible points for each category reviewed (see mandatory template Exhibit E)

- Evaluators shall each complete their evaluation forms in confidence, however evaluators can discuss requirements of the RFP or BID in relation to the Evaluation Forms.
- Evaluators shall give a point score and Comments for each evaluation category.
- Evaluators may ask questions or request clarification from the Department but should not disclose scores until all reviews are complete and total points tallied.
- The Committee may meet to discuss criteria and results.
- The Committee may request vendor interviews, depending on the outcome or type of solicitation.
- The Evaluation Committee provides the Evaluation Forms and Scoresheet to the Department Head for final determination.

Rejection, Tie Bids, and Rejection of All Bids: A bid or proposal may be rejected by the Evaluation Committee where it is found that the bid or proposal is "non-responsive." Where Evaluation Committee chooses to reject one or all bids, Committee shall confer with the City Attorney on the rejection.

1. Any of the following conditions may render a Bid "**non-responsive**"
    - The bid or proposal does not strictly conform to the required specifications as set forth in the RFP or Invitation to Bid (the City may waive immaterial, minor irregularities in bids).
    - The bidder or proposer has demonstrated that they are unable to satisfactorily meet the responsibilities required of the contract.

- The bidder's or proposer's products or services have been demonstrated, through documented past performance in the industry or through prior use by the City, to be incapable of satisfactorily meeting the accepted demands required of the product or service.

2. **Tie Bid**- If two or more bids are for the same total amount or unit price and if the responsibility and final score (from the Evaluation Scorecards) are equal, the Department Head or City Council may award to whichever bidder or proposer it so chooses.

Less Than Three BID Responses: Solicitations advertised on the city's Planet Bids portal is considered "competitive solicitation", therefore:

1. If at least **two responsible bidders** respond, the evaluation may proceed as noted in Evaluation section above.
2. If the result is only **one bid response**, and the sole bid is responsive (meets all specifications and requirements), the contract may be awarded subject to the award threshold and Signing Authority of this policy. Documentation of the effort and result of the BID should be noted with the procurement documents.

No Responsive BIDS Received from Responsible Bidders: When competition results in no responsive bids from responsible bidders, the DH has two options:

1. The Solicitation may be cancelled and re-bid, modifying any possible restrictive requirements. Shorter response time can be used if a timeline is a concern.
2. If, in the opinion of the DH, a second solicitation would not result in a different outcome, the DH may cancel the solicitation and proceed with Sole Source documentation, subject to approval by City Council. DH may reach out to bidders using the same specifications as original solicitation. The chosen bidder must be deemed responsible and compliant/responsive to the original specifications.

~~2.~~ ***Waiver of irregularities and rejection of bids:*** At its discretion, the city may waive any irregularity in any bid received and award the contract, may reject all bids presented and may readvertise the project, or the city may abandon the project. (Ord. 1171 § 1; Ord. 1165 § 1; Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-24)

Formatted: Font: Not Bold, Not Italic

Formatted: Font: Not Bold

Formatted: Normal, Justified, Indent: Left: 0.25", No bullets or numbering

Formatted: Font: (Default) Times New Roman, 12 pt

4.6 CITY COUNCIL STAFF RECOMMENDATIONS

Formatted: Justified

Staff Recommendations for Formal bids and proposals shall be drafted and presented by the Department Head or his/her designee to City Council. Prior to writing the staff report the DH should:

1. Contact losing bidders and informs them that City has selected another bidder (see template Exhibit F)
2. Contacts winning bidder and negotiates terms of contract along with assistance of City Attorney. (see template Exhibit G)
3. Ensures the winning bidder has obtained a City Business License and has the requisite insurance. The License must be obtained *before* any work commences.
4. Places staff recommendation for award of contract on next available City Council Agenda.

Staff Report and/or Resolution must include the following elements:

1. A description and background of the project/product for which the RFP or Invitation to Bid was circulated.
2. A brief summary of how the bids were circulated and brief description of the bids or proposals received.
3. If using a Cooperative Agreement- provide the name of the Gov't. Contract, contract number, **and attach a copy of the contract.**
4. A description of the reasons the winning bidder/proposer was selected.
5. The Financial Implication section should include the complete account number and appropriate budget to fund the product, service, or project.
6. The recommended bidder or proposer's original submission shall be attached.
7. The Professional Service Agreement or Purchase Agreement with negotiated terms approved by the City Attorney should be attached.

4.7 BID PROTESTS

A non-selected bidder may protest the award of an Invitation to Bid. A non-selected proposer **may not** protest the award of a Request For Proposal or Request for Qualifications.

Bid Protest Procedures: Per SLTCC § 3.45.020(E), a written Bid Protest must be received by the City Clerk no later than seven (7) calendar days after the City's selection of the winning bidder or no later than ten calendar days from the date that the City issues notice of designation of a bidder as non-responsible.

Contents of Bid Protest: The Bid Protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

Bid Protests Presented to Council: Where award of the contract is to be made by the City Council, the City Clerk shall place a discussion of the Bid Protest on the next regularly scheduled Council Meeting Agenda and the City Council shall determine whether, based on the Protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next responsible bidder. Staff Recommendations addressing a Bid Protest shall contain the following elements:

1. A description of the project for which the Invitation to Bid was circulated.
2. A brief summary of the bids received.
3. A description of the reasons the winning bidder was selected.
4. A description of the reasons the bid is being protested.
5. The winning bidder's original bid shall be attached.
6. The protesting bidder's original bid shall be attached.
7. All Bid Evaluation Scorecards shall be attached.
8. The Bid Protest shall be attached.

4.8 MAINTAINING DOCUMENTATION

Procurement must be clearly documented throughout each step of the process and documents maintained and filed for audit purposes. The City's annual audit process includes conducting procurement reviews to determine procedures are correctly implemented.

The following documentation should be maintained by the **Department** for a period of **3** years from the date of submission of the final expenditure per Resolution No. 2018-102 City Records Management and Retention Policy and Code of Federal Regulations CFR Chapter II 200 §200.33:

1. All communication documentation with vendors, purveyors, suppliers, etc.
2. Documents related to preparation of the procurement documents; dialogue, or negotiation
3. Original RFP or Invitation to Bid
4. All Bids/Proposals received
5. All Evaluation Scorecards, notes, documentation
6. Copies of Staff Recommendation, staff report, resolution
7. Copies of Contract/Agreement
8. Proof of Insurance (if applicable)
9. Labor Compliance Documentation (if applicable)
10. Sole Source forms (if applicable)
11. Cooperative Govt. Contract documents (if applicable)

The following documentation should be sent to the **Finance Department** (Accounts Payable) **along with the first payable invoice**:

1. Signed invoice and/or Request for Payment, or PO
2. Quotation Form noting bid process and outcome
3. Budgeted/approved account number
4. Copy of Executed Contract/ Agreement
5. Copy of approved Council Resolution (if applicable)

6. Sole Source Justification Form (if applicable)
7. Cooperative Gov't Contract (if applicable)

Formatted: Justified

EXHIBIT A

PAYMENT REQUEST FORM

CITY OF SOUTH LAKE TAHOE

PAYMENT REQUEST

Vendor#_____

Date Prepared: _____

Comments/Notes: _____

_____

Pay To: _____
_____
_____
_____

Due Date: _____

ACCOUNT NUMBER	DESCRIPTION	PO NUMBER	INVOICE DATE	INVOICE NUMBER	TOTAL PER ACCOUNT INVOICE

TOTAL PAYMENT: $_____

APPROVED: _____

APPROVED: _____ **Budget Available:** _____

APPROVED: _____ **Reimbursable:** _____

Project/ Funding Source: _____

Project/ Funding Source: _____

EXHIBIT B

SOLE SOURCE JUSTIFICATION

REQUEST FORM

SOLE SOURCE JUSTIFICATION REQUEST

SOLE SOURCE VENDOR: _____

ADDRESS: _____PHONE NO._____

ITEM TO BE PURCHASED: _____ COST: $_____

1. Check reasons for sole source request:
_____ **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.
_____ **Emergency Purchase**: The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, per City Code SLTCC § 3.45.070

_____ **Sole Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.

_____ **Federal Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (attach authorization to this form)

_____ **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc.
Explain: _____
Note: when using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes.

2. Describe the product or service and how it is unique or one-of-a-kind: _____
_____

3. Explain why the product/service is available from only one source and what avenues you pursued to confirm that this is factual. _____

5. Can your requirements be modified to allow competitive products or services be used?
Explain:_____

REQUESTOR NAME/ DEPARTMENT: _____

DEPARTMENT HEAD SIGNATURE: _____ DATE: _____

FINANACE DEPT. _____ DATE: _____

CITY ATTORNEY SIGNATURE: _____ DATE:_____

CITY MANAGER SIGNATURE: _____ DATE: _____
* Requests over $60,000 requires City Council's approval

EXHIBIT C

REQUEST FOR QUOTES FORM

REQUEST FOR QUOTES

QUOTATION INFORMATION

(To be completed by Designated Purchaser for each quote received)

☐ Description of Request for Quotes (describe goods or services sought, including quantity, model number, color, size, delivery date requirements, freight charges, or any other charges: _____

_____

☐ Date Quote Received: _____

☐ Project Manager Name (name of person receiving quote): _____

☐ Company Name (name of company/vendor providing quote): _____

☐ Quoted By (name of company/vendor representative providing quote): _____

☐ Quote Amount: $_____

☐ Promised Delivery Date: _____

☐ Eligible for Local Bidder Preference? (Y/N). If Yes, indicate quote amount, taking into consideration the 5% local bidder's discount): _____

☐ Warranty (describe warranty quoted by vendor): _____

☐ Additional Information (provide additional information including differentiation between good/service requested by City; good/service quoted by company/vendor; and provide any additional pertinent information relevant to the bid: _____

_____

_____

EXHIBIT D

Contract/Agreement Routing Form Template

CONTRACT /AGREEMENTAUTHORIZATION ROUTING FORM

STAFF CONTACT INFORMATION

- NAME:
- DEPARTMENT:
- PHONE:
- DATE OF SUBMITTAL:

CONTRACT/ AGREEMENT INFO.

- NAME:
- CONTRACTOR/CONSULTANT:
- START: END: OPTION TO RENEW:
- AMOUNT OF CONTRACT: $

BUDGET INFORMATION

ACCOUNT NO.:
BUDGET AVAILABLE:
FUNDING VERIFIED:
GRANT FUNDING? Source_____ Federal? Yes___ No___

Type of Contract

Professional Services Agreement _____ License_____ MOU ____Lease _____
Purchase Order _____ Purchase Agreement_____ Construction_____
Revenue Contract _____ Operation/Concession Agreement _____ Deed_____
Maintenance Agreement _____ Public Works Contract _____ Vehicle _____
Motorized Equipment _____ IT/Electronic Equipment_____

Brief Description:

Does this contract involve the following: construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting, and/or repair work involving any publicly owned, leased, or operated facility? Yes_____ No_____ If **yes**, forward to Public Works for review
(Public Works Director authorization required)

Does this contract require special permitting, environmental review, CEQA/NEPA, Planning Dept. review, Commission approval? Yes_____ No_____ If yes, forward to Development Services Department for review ***(Director of Developmental Services authorization required)***

Reviewing Authority	Signature	Date Signed
Department Head	_____	_____
Public Works Director *(where applicable)*		
Dev. Services Director *(where applicable)*	_____	_____
Finance Director	_____	_____
City Attorney		
City Manager	_____	_____
City Clerk		

City Council Meeting Date ***(over $60K or where applicable)***: _____

EXHIBIT E

BID EVALUATION FORMS/ SCORESHEET TEMPLATE

EVALUATION FORMS

CITY OF SOUTH LAKE TAHOE REQUEST FOR PROPOSALS/ INVITATION TO BID

INSERT RFP/BID TITLE AND NUMBER HERE

Evaluators must give a numeric score for each of the five categories described below. The numeric score may be as low as zero and may not be greater than the maximum score set forth in the point range for each category. Evaluators should explain the reasoning for their allocation of points in the "Comments" section of each category. Attach additional sheets if necessary. Use one form for each Vendor/Proposer and each Evaluator.

Vendor / Proposer: _____

Evaluator Name: _____

I. RESPONSIVENESS OF PROPOSAL/ BID (P/F)

The Pass or Fail shall be based upon the vendor's compliance with the requirements for proposals/bids as set forth in the RFP/ Invitation to Bid, including quality, clarity, and conformance with instructions therein, and shall take into consideration the quality of the Cover Letter and Introduction.

Pass/Fail_____

Comments_____

_____

_____

II. COVER LETTER (0-5 points)

The cover letter shall be addressed to the Director of the Department, and at a minimum, must contain the following:

- **Identification of Firm, including name, address, and telephone number**
- **Name, title, address, and telephone number of contact person during period of proposal evaluation**
- **A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal**
- **Signed by person authorized to bind the Firm to the terms of the proposal.**

Total Points_____
Comments_____

_____

_____

III. EXECUTIVE SUMMARY (0 – 10 points)

Scoring shall be based upon the vendor's ability to describe the overall approach and plans to meet the requirements of the RFP. The intent of this narrative is to convince the City that the Proposer understands the requirements of proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services.

Total Points_____

Comments_____

_____

IV. COMPANY HISTORY, BACKGROUND AND EXPERIENCE (0-20 points)

Describe the Company's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes for project team members. Also include the Firm's background, experience, and capacity to undertake debt collection for the City of South Lake Tahoe in conformity with the requirements of the RFP.

Total Points_____

Comments_____

_____

V. SCOPE OF WORK/IMPLEMENTATION (0 – 35 points)

Describe the Company's general approach to managing the services provided including an explanation of the collection methodology to be followed and specific plans to manage, control, and supervise the services in order to insure satisfactory provision of services. In developing the work plan, reference should be made to the specific requirements and specifications noted in the Scope of Services (pages x – xx). Provide a delivery schedule designed to meet the requirements of the City. An implementation timeline from the Company is required. Provide description of

implementation plan considerations, including timeframes and deliverables for various stages of the agreement.

Total Points_____

Comments_____

_____

VI. PROJECT BUDGET (0 – 25 points)
Provide a description of the project cost and/or fees itemized according to the RFP proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs, fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's Cost Proposal.

Total Points _____

Comments_____

VII. RECENT PROJECTS/REFERENCES (0 – 5 points)
Provide a description of accounts/ agreements of a similar nature including at least three (3) recent client references with names and telephone numbers, contact persons.

Total Points _____

Comments_____

TOTAL COMBINED POINTS: _____
(Add total points from Sections I, II, III, IV, and V)

RANKING (from scoresheet): _____

EVALUATION SCORE SHEET

EVALUATION SCORE SHEET

Vendor/Proposer Name	Evaluator #1 Total Score	Evaluator #2 Total Score	Evaluator #3 Total Score	Evaluator #4 Total Score	TOTAL SCORE	RANKING	COMMENTS
Example- ABC Company	58	61	49		168	1	
Example- XYZ Industries	60	58	45		163	3	
Example- 123 Incorporated	57	59	48		164	2	
					0		
					0		
					0		
					0		
					0		
					0		
					0		

INSTRUCTIONS:

1. Vendor/Proposer Name: Fill in company name from each RFP/BID received
2. Evaluator #1: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
3. Evaluator #2: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
4. Evaluator #3: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
5. Evaluator #4 (if necessary): insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
6. Total Score: This is the total combined score from all evaluators for each Vendor/Proposer
7. Ranking: Rank each Vendor/Proposer based on total number of points, highest to lowest. Rank numerically, 1 as the highest
8. Comments: note any comments relevant to the scores, or comments the DH should consider for final determination
9. #1 Ranking typically is the Highest number of points and would be the recommended vendor to the Department Head
10. Department Head makes the recommenation for Award based on ranking, comments, and recommedation

.

EXHIBIT F

STANDARD RFP/RFQ TEMPLATE

REQUEST FOR PROPOSALS/QUALIFICATIONS

TITLE

PICTURE

RFP/RFQ # date of award yyyy-mm-dd

SUMMARY

The City of South Lake Tahoe is requesting proposals(or statement of qualifications (SOQ) for an RFQ) from…brief summary of who/what we are looking for

Proposals are due on or before **MM/DD/YYYY no later than 12:00 p.m.** (Pacific Standard Time) at City offices (City address xxx, South Lake Tahoe, CA 96150). Proposals received after the deadline will not be accepted. Proposals and required copies must be submitted by U.S. mail or personal delivery to the address below, Electronic-mailed (e-mail), and/or on-line portal planet bids. xxxxxx submission will not be accepted. (Choose preferred method)

City of South Lake Tahoe
Attn:
RFP Title
City address
South Lake Tahoe, CA 96150

Read this RFP document carefully as the award will be given to the most "responsible and responsive" Proposer responding to this RFP. The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting proposals, to advertise the RFP at any time and to waive any minor irregularities in any proposals.

In the opinion of the City of South Lake Tahoe, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please use the Q&A feature that is found within Planet Bids, where the RFP is posted.

Please note that no information given will be binding upon the City unless such information is issued in writing as an official addendum to this RFP.

TIMELINE OF CRITICAL DATES

Release of RFP	
Mandatory Pre-Proposal Meeting	**Write N/A or Delete Row**
Deadline for Question Submittal via Planet Bids	
RFP submittals DUE	
Selection Committee Review Period/Interviews	
Award Date	

SUBMITTAL PROCEDURES

1. Register with the City

All Proposers **must** complete a "Vendor Information Sheet" to be entered in the City of South Lake Tahoe Vendor Database, which is **required to submit a proposal**. Proposers will be notified by the City of any addenda that may be issued to this Request for Proposal (RFP). Proposers must register in the City's Vendor Database to be notified of such addenda
To register, go to: https://pbsystem.planetbids.com/portal/14997/portal-home and follow the instructions applicable to Proposer. Following submission, Proposer will receive a confirmation message within 24 hours from the City. Proposers are *solely responsible* for maintaining up to date and accurate information in the Vendor Database.

2. Number of Copies

The Proposer must submit in a sealed package(s) one (1)" Original", and five (5) complete copy sets of the "Original" response. Proposals shall not be e-mailed or faxed to the City. **Proposals not received by the date and time specified in this RFP, will be rejected.** Documents submitted in response to this RFP will become the property of the City of South Lake Tahoe and will be regarded as public record under California Public Records Act under Government Code 6250 et seq., and subject to review or release to the public, **excluding** financial records marked "confidential" which shall be available for the Proposer to pick up following a review and selection of the firm(s).

3. Format

Font, Type and Style: All proposals shall be single sided and professionally prepared (no hand-written proposals will be accepted). There are no requirements on font size, type, or style requirements.

Not Bound: Proposals shall not be bound with anything other than a clip or staple to allow the City to make additional copies as needed. No comb binding or permanent binding is permitted.

4. Submittal Deadline

Response to this RFP is due on or before **MM/DD/YYY** **no later than 12:00 p.m.** (Pacific Standard Time) at City offices (address below). Reponses received after the deadline will not be accepted; there are no exceptions. xxxxxx submission will not be accepted. Submit Proposals to:

City of South Lake Tahoe
Attn:
RFP Title
City Address
South Lake Tahoe, CA 96150

5. Selection Process

A Selection Committee consisting of City Staff will evaluate the submitted proposals. Proposer(s) will be objectively evaluated based on their responses to the project scope outlined in this RFP. The written proposal should clearly demonstrate how the Proposer could best satisfy the requirements of the City. The Selection Committee will utilize the Evaluation Method and Criteria described on page XX of this RFP to rate and rank each proposal.

If more information is needed following a review of the Proposals, the Selection Committee *may* invite one or more of the Proposers to a Selection Interview. Upon completion of interviews, (if needed) a recommendation by the Selection Committee to the City Manager/City Council will be made at that time and awarded in accordance with the City of South Lake Tahoe Procurement Policies & Procedures.

The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting proposals, to advertise the RFP at any time and to waive any minor irregularities in any proposal.

6. Professional Services Agreement

The Professional Services Agreement with the selected Proposer will begin within 30 days of award of contract. The selected Proposer will be required to sign the City's Standard Professional Services Agreement. A sample of this Agreement is attached hereto, and the City reserves the right to amend or edit this Agreement however it sees fit.

7. Reservations

a) The City reserves the right to reject any and all proposals, whether or not minimum qualifications are met, and to modify, postpone, or cancel this Request for Proposal, in whole or in part, or decide to award a contract to perform only some of the services outlined in this Request For Proposal, without liability, obligation, or commitment to any party, firm, or organization.

b) In addition, the City reserves the right to request and obtain additional information from any Proposer and to negotiate the final scope of services with the selected Proposer. The City is not liable for any costs incurred by Proposers prior to issuance of an agreement, contract, or purchase order. Costs of developing the proposals, oral presentations or any other such expenses incurred by the Proposer in responding to the RFP are entirely the responsibility of the Proposer and shall not be reimbursed in any manner by the City of South Lake Tahoe.

c) Only the City Council of South Lake Tahoe, or the City Manager after being duly authorized by the City Council, may execute the Agreement with the successful Proposer. Further, it is understood that respondents must independently evaluate the information in this RFP and that the City makes no guarantee of data accuracy.

d) The City reserves the right to waive or permit cure of minor informalities and/or insignificant mistakes such as matters of form rather than substance and to conduct discussions and negotiations with any *qualified respondent* in any manner deemed necessary by the City to serve its best interests. The City also reserves the right, based on its sole judgment and discretion, to award a contract based upon the written proposals it receives without conducting discussions, interviews, or negotiations.

e) If, in the opinion of the City, a proposal contains false or misleading statements or references, it may be rejected without notice to Proposer.

f) The City reserves the right to obtain written clarification of any point in a Proposer's proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a Proposer to respond to such a request for additional information or clarification may result in rejection of the proposal.

g) The City reserves the right, without qualification, to select a Proposer for further discussions based solely on the content of the RFPs and relevant information obtained from others concerning the respondent's respective records of past performance.

h) Proposer agrees that any response submitted to this RFP will remain current and valid for a period of not less than 120 calendar days from the proposal due date.

8. Local Business Preference (applies to RFP's over $50,000 only)

a) The City shall apply a five percent discount to all local businesses which submit proposals for services for The City of South Lake Tahoe. The City shall evaluate the local businesses' proposals as though the proposal had been submitted at a cost of five percent lower than the cost submitted.
b) Local Business shall mean a business which maintains its principle place of business in a fixed office within the City of South Lake Tahoe and possesses a current South Lake Tahoe business license. To establish a principle place of business in South Lake Tahoe, a business must demonstrate the majority of its principals are based in the South Lake Tahoe office, and that it pays South Lake Tahoe payroll taxes on at least 51 percent of its total payroll.

9. Bidder's Security

a) When deemed necessary, bidder's security may be prescribed in invitations to bid, RFP's and RFQ's. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of contract.

INTRODUCTION

8. Background

Background information that would be relevant to what service is being requested

9. Objective

What is the City's primary objective? What are we trying to accomplish through this RFP?

SCOPE OF SERVICE

10. Scope of Work to be Performed

- List all technical and general specifications of service, etc.….
- Be specific with all details and descriptions.
- Request proposal to be all inclusive of all fees, incl taxes, delivery charges etc...
- Request implementation schedule, timeline, delivery date etc.…

PROPOSAL CONTENT REQUIREMENTS

11. Proposal Requirements - All proposals must include the following information and shall be organized as described below. **Criteria titles and points should be edited or deleted as needed for each RFP –**

A. Cover Letter (0-5 points)

The cover letter shall be addressed to the Director of the Department, and at a minimum, must contain the following:

- Identification of Firm, including name, address, and telephone number
- Name, title, address, and telephone number of contact person during period of proposal evaluation
- A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the Firm to the terms of the proposal.

B. Executive Summary (10 points)

The intent of this narrative is to convince the City the Proposer understands the requirements of proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services.

C. Company History, Background and Experience (0-20 points)

Describe the Company's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes for project team members. Also include the Firm's background, experience, and capacity to undertake the project/services for the City of South Lake Tahoe in conformity with the requirements of the RFP.

D. Scope of Work/Implementation (0-35 points)

Describe the Company's general approach to managing the services provided including an explanation of the methodology to be followed and specific plans to manage, control, and supervise the services in order to insure satisfactory provision of services. In developing the work plan, reference should be made to the specific requirements and specifications noted in the Scope of Services (pages x – xx). Provide a delivery schedule designed to meet the requirements of the City. An implementation timeline from the Company is required. Provide description implementation plan considerations, including timeframes and deliverables for various stages of the agreement.

E. Project Budget (0-25 points)

Provide a description of the project cost and/or fees itemized according to the RFP proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including

all out-of-pocket expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs, fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's Cost Proposal.

F. Description of Recent Projects/References (0-5 points)

Provide a description of accounts/ agreements of a similar nature including at least three (3) recent client references with names and telephone numbers, contact persons.

EVALUATION METHOD & CRITERIA

Proposals will first be reviewed for responsiveness to the requirements. If any information is missing from the required content, the proposal may be deemed non-responsive and returned to proposer and any further review is subject to the City's discretion (see Reservations, page 4).

The Selection Committee will make a recommendation based on the criteria in this Proposal to award the contract/agreement to a selected Proposer. The City may conduct interviews as described on page 4 under Selection Process.

12. Evaluation Criteria

Recommendations for selection will be based on the following weighted criteria of 100 possible points and passing status on all Pass or Fail categories, if any. **This information should match the proposal content requirements on page XX**

Criteria	Points
A. Cover Letter	5
B. Executive Summary	10
C. Company History, Background & Experience	20
D. Scope of Work/Implementation	35
E. Project Budget	25
F. Description of Recent Projects/References	5

ATTACHMENT 1

SAMPLE

PROFESSIONAL SERVICE AGREEMENT

EXHIBIT G

STANDARD PROFESSIONAL SERVICES AGREEMENT TEMPLATE

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the_____day of _____ 202**X** by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and _____ ("Consultant").

RECITALS

A. Consultant is specially trained, experienced, and competent to perform the special services which will be required by this Agreement.

B. Consultant possesses the skill, experience, ability, background, certification, and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue for _____ years.

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed _____ without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

   Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation, or expiration.

7. Ownership of Documents.
   All plans, studies, documents, and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees

and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents, and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

8. Consultant's Books and Records.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant for services provided pursuant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor, or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be

maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors, or subcontractors hired or retained by Consultant are employees, agents, contractors, or subcontractors of Consultant and not of the City.

   City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third-party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

10. Interest of Consultant. Consultant, (and principals, associates, and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

    Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

    a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation, or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation, or counsel. [FPPC Reg. 18700(a) (2)].

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

12. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances, and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations, and codes of federal, state, and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials, and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

    In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

13. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services is performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands,

actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges, and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

15. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all the subcontractor's employees. Any notice of cancellation of all

Workers' Compensation policies must be received by City at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees, and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury, and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing an AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents, and volunteers are to be covered as additional insureds under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents, and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees, or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents, or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount, and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

16. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first-class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Consultant:

Provide a copy to:

17. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience, and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the

subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

18. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid, nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer, and it shall not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination. Consultant shall also comply with all relevant provisions of City's

Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

23. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free workplace by taking the following actions:

    a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

    b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

        i. The dangers of drug abuse in the workplace;
        ii. The person's or organization's policy of maintaining a drug-free workplace;
        iii. Any available counseling, rehabilitation, and employee assistance program; and
        iv. Penalties that may be imposed upon employees for drug abuse violations.

    c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

        i. Will receive a copy of the Consultant's drug-free policy statement; and
        ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

    Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

24. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or

subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

25. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

26. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et.seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

27. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

28. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

29. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

30. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

31. Time is of the Essence. Time is of the essence for this Agreement.

32. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:

By_____

City Manager

Date_____

CONSULTANT:

By _____

Name, Title

Date_____

Business License # _____

APPROVED AS TO FORM:

By_____

City Attorney

Date_____

ATTEST:

By_____

City Clerk

Date_____

Attachments:

Exhibit A – Scope of Services
Exhibit B – Compensation Schedule
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

SCOPE OF SERVICES

EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

Estimated fees (not to exceed)	**$_____**
Hourly Rate:	**$_____/hour**
Travel and out-of-pocket expenses	**$_____**
(travel is included in the TOTAL (not to exceed amount)	
TOTAL (not to exceed)	**$_____**

TIMELINE

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:
Name, Title

By:_____ Date_____

EXHIBIT H

STANDARD INVITATION TO BID TEMPLATE

INVITATION TO BID

TITLE

Picture

BID# date of award yyyy-mm-dd Title

**note: Formal Bids must be posted for minimum of 30 days*

SUMMARY

The City of South Lake Tahoe is requesting formal competitive bids from qualified professional vendors/firms for (short sentence describing what you are looking for).
Sealed or Electronic Bids are due on or before **MM/DD/YYYY** **no later than 12:00 p.m.** (Pacific Standard Time) at City offices (Department Address, South Lake Tahoe, CA 96150). Bids received after the deadline will not be accepted. Electronic Bids must be uploaded by said time and date. Sealed Bids and required copies must be submitted by U.S. mail or personal delivery to the address below, and/or on-line Planet Bids Portal. Fax and Electronic-mailed (e-mail) submission will not be accepted. Sealed paper bids must be marked **"BID yyyy-mm-dd Title"** and mailed to:

City of South Lake Tahoe
Attn: Department Head
Title of Bid
City Address
South Lake Tahoe, CA 96150

Bidders will be notified by the City of any addenda that may be issued to this Formal Invitation to Bid (BID). Bidders must register in the City's Vendor Database to be notified of such addenda (see page 3 for instructions on how to register).

Read this BID document carefully as the award will be given to the "lowest qualified responsible bidder" responding to this BID. The City reserves the right to reject any or all bids. Bids will be publicly opened and read aloud at the "department address" office immediately after the closing of the bid.

In the opinion of the City of South Lake Tahoe, this BID is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please use the Q&A feature that is found within Planet Bids, where the BID is posted.

Please note that no information given will be binding upon the City unless such information is issued in writing as an official addendum to this BID.

TIMELINE OF CRITICAL DATES

Release of Formal Competitive Bid	**xx-xx-xxxx**
Mandatory Pre-Bid Meeting	***optional**
Deadline for questions Submitted via Planted Bids	**xx-xx-xxxx**
Questions & Answers Uploaded	**xx-xx-xxxx**
Formal Bid Due/ Bid opening	**xx-xx-xxxx**
City Council Award	**xx-xx-xxxx**

SUBMITTAL PROCEDURES

1. Register with the City

All Bidders **must** complete a "Vendor Information Sheet" to be entered in the City of South Lake Tahoe Vendor Database, which is required to submit a bid. Go to this website address: https://pbsystem.planetbids.com/portal/14997/portal-home and follow the instructions applicable to Bidder. Following submission, Bidders will receive a confirmation message within 24 hours from the City. Bidders are *solely responsible* for maintaining up to date and accurate information in the Vendor Database.

2. Number of Copies

The Bidder must submit in a sealed package(s) one (1) "Original", and five (5) complete copy sets of the "Original" response. Bids shall not be e-mailed or faxed to the City. **Bids not received by the date and time specified in this BID, will be rejected.** Documents submitted in response to this BID will become the property of the City of South Lake Tahoe and will be regarded as public record under California Public Records Act under Government Code 6250 et seq., and subject to review or release to the public, **excluding** financial records marked "confidential" which shall be available for the bidder to pick up following a review and selection of the bid.

3. Format

Font, Type and Style: All proposals shall be single sided and professionally prepared (no handwritten proposals will be accepted). There are no requirements on font size, type, or style requirements.

Not Bound: Proposals shall not be bound with anything other than a clip or staple to allow the City to make additional copies as needed. No comb binding or permanent binding is permitted.

4. Submittal Deadline

Response to this BID is due on or before **MM/DD/YYYY no later than 12:00 p.m.** (Pacific Standard Time) at City offices (address below). Reponses received after the deadline will not be accepted; there are no exceptions. Fax and Electronic-mailed (e-mail) submission will not be accepted. Submit Sealed Bids to:

City of South Lake Tahoe
Attn: Department Head
"BID yyyy-mm-dd Title"
Department Address
South Lake Tahoe, CA 96150

5. Selection Process

A Selection Committee consisting of City Staff will evaluate the submitted bids. Bids will be objectively evaluated based on their responses to the Scope of Work outlined in this BID. The written bid should clearly demonstrate how the bidder could best satisfy the requirements of the

City. The Selection Committee will utilize the Evaluation Method and Criteria described on page 9 of this BID to rate and rank each proposal.

Following a review of the Bids, the Selection Committee may invite one or more of the bidders to a Selection Interview. Upon completion of interviews, the Selection Committee will submit a recommendation to the City Manager. The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting bids, to advertise the BID at any time and to waive any minor irregularities in any bid.

The City of South Lake Tahoe reserves the right to accept or reject any or all bids or to make no award at all, to extend the period for accepting proposals, to advertise the Invitation to Bid at any time and to waive any minor irregularities in any proposal.

6. Purchase Agreement/ Contract

Upon approval of the Award by City Council; a written Purchase Agreement or Contract will be issued by the City Attorney's Office. The Agreement is in force through the time period specified in the Scope of Work in the bid. The selected Bidder will be required to sign the City's Purchase Agreement or Contract. A sample of this Agreement is attached hereto, and the City reserves the right to amend or edit this agreement however it sees fit. No changes may be made in the agreement without written authorization by the City of South Lake Tahoe. Quantities specified in the purchase agreement are not to be exceeded without written authorization from the City of South Lake Tahoe.

7. Reservations

a) The City reserves the right to reject any and all bids, whether or not minimum qualifications are met, and to modify, postpone, or cancel this Invitation to Bid, in whole or in part, or decide to award a contract on the basis of individual items, or groups of items, or on the entire list of items; to reject any or all bids or any part thereof; and to waive any informalities and/or negotiate minor deviations to the bid, with the successful bidder. The City's decision shall be final, without liability, obligation, or commitment to any party, firm, or organization.

b) In addition, the City reserves the right to request and obtain additional information from any Bidder and to negotiate the final scope of services with the selected vendor. The City is not liable for any costs incurred by Bidders prior to issuance of an agreement, contract, or purchase order. Costs of developing the bid, oral presentations or any other such expenses incurred by the vendor in responding to the BID are entirely the responsibility of the vendor and shall not be reimbursed in any manner by the City of South Lake Tahoe.

c) Only the City Council of South Lake Tahoe, or the City Manager after being duly authorized by the City Council, may execute the Agreement with the successful bidder. Further, it is understood that respondents must independently evaluate the information in this BID and that the City makes no guarantee of data accuracy.

d) The City reserves the right to waive or permit cure of minor informalities and/or insignificant mistakes such as matters of form rather than substance and to conduct discussions and negotiations with any *qualified respondent* in any manner deemed necessary by the City to serve its best interests. The City also reserves the right, based on its sole judgment and discretion, to award a contract based upon the written bids it receives without conducting discussions, interviews, or negotiations.

e) If, in the opinion of the City, a bid contains false or misleading statements or references, it may be rejected without notice to Bidder.

f) The City reserves the right to obtain written clarification of any point in a vendor bid or to obtain additional information necessary to properly evaluate a particular bid. Failure of a Bidder to respond to such a request for additional information or clarification may result in rejection of the bid.

g) The City reserves the right, without qualification, to select a Bidder for further discussions based solely on the content of the BID and relevant information obtained from others concerning the respondent's respective records of past performance.

h) Proposer agrees that any response submitted to this BID will remain current and valid for a period of not less than 120 calendar days from the proposal due date.

8. Bid Protests

a) A non-selected bidder may protest award of contract by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as non-responsible.

b) The bid protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

c) Where award of the contract is to be made by the city council, the city clerk shall place a discussion of the bid protest on the next regularly scheduled council meeting agenda and the city council shall determine whether, based on the protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next lowest responsible bidder.

9. Local Business Preference

a) The city shall apply a five percent discount to all local businesses which submit bids for materials, supplies, equipment, and services for nonpublic projects. The city shall evaluate the local businesses' bids as though the bid had been submitted at a cost of five percent lower than the cost submitted.

b) Local Business shall mean a business which maintains its principle place of business in a fixed office within the city of South Lake Tahoe and possesses a current South Lake Tahoe business license. To establish a principle place of business in South Lake Tahoe, a business must demonstrate the majority of its principals are based in the South Lake Tahoe office, and that it pays South Lake Tahoe payroll taxes on at least 51 percent of its total payroll.

9. Bidder's Security

a) When deemed necessary, bidders' security may be prescribed in invitations to bid, RFP's and RFQ's. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of contract.

INTRODUCTION

8. Background

Background information that would be relevant to what product is being requested

9. Objective

What is the City's primary objective? What are we trying to accomplish through this BID?

SCOPE OF WORK

11. Scope of Work to be Performed:

- List all technical and general specifications of item(s), product, service, etc….
- Be specific with all details and descriptions.
- Request bid to include all fees, tax (8%), delivery charges

- Request implementation schedule, timeline, delivery date

BID CONTENT REQUIREMENTS

12. Bid Requirements - All bids must include the following information and shall be organized as described below.

F. Cover Letter (0-5 points)

The cover letter shall be addressed to the Department, Department Head, Title, and at a minimum, must contain the following:

- Identification of Vendor, including name, address, and telephone number
- Name, title, address, and telephone number of contact person during period of bid evaluation
- A statement to the effect that the bid shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the bidder the terms of the proposal.

G. Executive Summary (10 points)

In a brief narrative, describe the overall approach and plans to meet the requirements of the Invitation to Bid. The intent of this narrative is to convince the City that the Bidder understands the objective that the bid is intended to meet, the nature of the work and/or product, and the level of effort necessary to successfully provide the defined product or scope of work.

H. Company History, Background and Experience (0-20 points)

Describe the Vendor's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes project team members (if applicable). Also include the Vendor's background and public sector experience in conducting description of work/item.

I. Scope of Work/Implementation (0-35 points)

Describe the Vendor's general approach to managing the project or providing the goods, including specific plans to manage, control, and/or deliver the project in order to insure satisfactory provision of services. Provide a schedule designed to meet the requirements of the City. The City's target date for completion/delivery is xxxx weeks/days from the date the contract is signed; however, a timeline from the Vendor is required. Provide description of all costs, implementation, including

estimated timeframes and deliverables.

J. Project Budget (0-25 points)

Provide a detailed description of the project budget/ product itemized according to Scope of Work. The Vendor shall present a specific "not to exceed" fixed fee /cost including associated taxes, fees, and charges and be based on achievement of deliverables. Provide itemized budget.

F. Description of Recent Projects/References (0-5 points)

Provide a description of projects/products of a similar nature including at least three (3) client references with names and telephone numbers, contact persons. Preference shall be given to vendors who have provided satisfactory service to public entity clients.

EVALUATION METHOD & CRITERIA

Bids will first be reviewed for responsiveness to the requirements. If any information is missing from the required content, the bid may be deemed non-responsive and returned to bidder. Further review is subject to the City's discretion (see Reservations, page 4).

The Selection Committee will make a recommendation to the City Manager based on the criteria in this bid to award the contract to the lowest qualified responsible bidder. The City Council will make the final determination whether or not to award a contract/agreement. The City may conduct interviews of the top scoring Bidders.

13. Evaluation Criteria

Recommendations for selection of the Concessionaire will be based on the following weighted criteria of 100 possible points and passing status on all Pass or Fail categories. **This information should match the BID content requirements on page 7**

riteria	Points
A. Cover Letter	5
B. Executive Summary	10
C. Company History, Background & Experience	10
D. Scope of Work/Implementation	35
E. Project Budget	35
F. Description of Recent Projects/References	5

ATTACHMENT 1

SAMPLE

STANDARD PURCHASE AGREEMENT

EXHIBIT I

STANDARD PURCHASE AGREEMENT TEMPLATE

CITY OF SOUTH LAKE TAHOE
PURCHASE AGREEMENT

This Agreement is made and entered into as of the_____day of _____ 202x by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and _____ ("Vendor").

RECITALS

A. Vendor is specially trained, experienced, and competent to perform the special services which will be required by this Agreement.

B. Vendor possesses the skill, experience, ability, background, certification, and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

AGREEMENT

1. Scope of Agreement. Vendor shall provide the goods/materials/products set forth in this agreement and described more fully in the **Exhibit A, "Description of Goods/Materials/Products,"** attached hereto and incorporated herein by reference (hereinafter the "product(s)"). **Exhibit A** further sets forth the requirements for delivery of the product(s), including requirements for installation, maintenance, servicing, etc.

2. Term/Time of Performance. The goods/materials/services described in **Exhibit A** shall be delivered to the City on or before _____.

3. Compensation. Compensation to be paid to Vendor shall be in accordance with **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Vendor's compensation exceed _____ without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Vendor shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item set forth in **Exhibit A**.

4. Expiration and Termination of Agreement. This Agreement shall expire upon written confirmation from the City that Vendor has delivered product(s) in compliance with the scope set forth in **Exhibit A.** Such confirmation shall not be unreasonably withheld.

The City may terminate this agreement if Vendor fails to deliver product(s) and comply with the terms of **Exhibit A** within ten (10) days of the date of delivery set forth in paragraph two (2) herein.

5. Independent Contractor. It is understood that Vendor, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Vendor shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Vendor hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors, or subcontractors hired or retained by Vendor are employees, agents, contractors, or subcontractors of Vendor and not of the City.

   City is not required to make any deductions or withholdings form the compensation payable to Vendor under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Vendor's assigned personnel. Any third-party persons employed by Vendor shall be entirely and exclusively under the direction, supervision, and control of Vendor. Vendor hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

6. Interest of Vendor. Vendor, (and principals, associates, and professional employees of Vendor) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Vendor's services hereunder. Vendor further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

7. Professional Ability of Vendor. City has relied upon the professional training and ability of Vendor to provide the product(s) hereunder as a material inducement to enter into this Agreement. Vendor shall therefore provide properly skilled professional and technical personnel to perform all tasks related to delivery of the product(s), etc. as set forth in **Exhibit A**.

8. Compliance with Laws. Vendor shall comply with all applicable federal, state, regional and local laws, codes, ordinances, and regulations in carrying out his/her duties under this Agreement. Vendor shall observe and comply with all

applicable laws, ordinances, regulations, and codes of federal, state, and local governments.

9. Licenses. Vendor represents and warrants to City that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Vendor to engage in this Agreement. Vendor represents and warrants to City that Vendor shall, at its sole cost and expense, always keep in effect or obtain during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Vendor. Vendor shall always maintain a City of South Lake Tahoe business license during this Agreement. Vendor acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

10. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

11. Indemnity. Vendor hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Vendor's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Vendor agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Vendor's negligent acts, errors, omissions, regarding this Agreement, the Vendor's work under this Agreement, or the Vendor's Scope of Work.

    City does not, and shall not, waive any rights against Vendor which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Vendor, of any of the insurance policies hereinafter set forth.

12. Warranty. Vendor will provide warranty language.

13. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first-class mail. Any such

notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Vendor:

Provide a copy to:

14. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience, and competence of Vendor. Assignments of any or all rights, duties or obligations of the Vendor under this Agreement will be permitted only with the express consent of City. Vendor shall not subcontract any portion of the Agreement without the written authorization of City. If City consents to such subcontract, Vendor shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

15. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

16. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado

Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

17. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

18. Prohibited Interests. Vendor maintains and warrants that it has not employed nor retained any Vendor or person, other than the independent contractors hired in accordance with Vendor's standard business practice, to solicit or secure this Agreement. Further, Vendor warrants that it has not paid, nor has it agreed to pay any Vendor or person, other than a bona fide employee working solely for Vendor or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

19. Amendments. This Agreement may be modified or amended only by a written document executed by both Vendor and City and approved as to form by the City Attorney.

20. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

21. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Vendor. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

22. Time is of the Essence. Time is of the essence for this Agreement.

23. Authority to Enter Agreement. Vendor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE: VENDOR:

By_____ By _____

City Manager Name, Title

Date_____ Date_____

Business License # _____

APPROVED AS TO FORM:

By_____ Date_____

City Attorney

ATTEST:

By_____ Date_____

City Clerk

Attachments:

Exhibit A – Description of Goods/Materials/Products

Exhibit B – Compensation
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

Description of Goods/Materials/Products

EXHIBIT B

COMPENSATION

- **Provide total itemized costs**
- **Include all taxes, shipping, handling, fees, and discounts**

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Vendor shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Vendor:
Name, Title

By: _____ Date_____

EXHIBIT J

BID REJECTION LETTER – TEMPLATE/EXAMPLE

USE DEPARTMENT- CITY LETTERHEAD

Date

Address

Re: Award Decision, Department of _____, RFP # _____ for [service requested]

Dear

Thank you for submitting a proposal in response to the subject Request for Proposals (RFP). An evaluation panel, using the weighted criteria outlined in the RFP, has completed its review, and scoring of all the proposals we received. The proposal submitted by _____ received the panel's highest score. We will be developing a contract for the requested services with that organization. Thank you again for your participation, and for your interest in doing business with the City of South Lake Tahoe.

This award is a final decision subject to the successful negotiation of a mutually acceptable contract. A nonselected bidder may protest the award of a contract by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as nonresponsible. Please see City of South Lake Tahoe Code section 3.45.020 for the full bid protest procedure.

Very truly yours,

EXHIBIT K

BID ACCEPTANCE LETTER TEMPLATE/EXAMPLE

*Use Department City Letterhead

Date

Address

Re: Award Decision, Department of _____, RFP # _____ for [service requested]

Dear

Congratulations. The evaluation panel, using the weighted criteria outlined in the subject Request for Proposals (RFP), has completed its review of the proposals received. We are pleased to announce that your proposal received the panel's highest score.

Enclosed with this letter is an electronic copy of the City's approved Professional Services Agreement. We respectfully ask you to review the terms and conditions. Any changes should be made with MS Word Track Changes so that our Attorney may review them. We also kindly ask that you provide us a scope of services attachment that includes all services requested in our RFP. When both parties arrive at mutually acceptable terms, we will place the master agreement on the City Council agenda for adoption.

Thank you for your interest in working with the City of South Lake Tahoe. If you have any questions or concerns, please do not hesitate to reach out to me at _____.

Very truly yours,

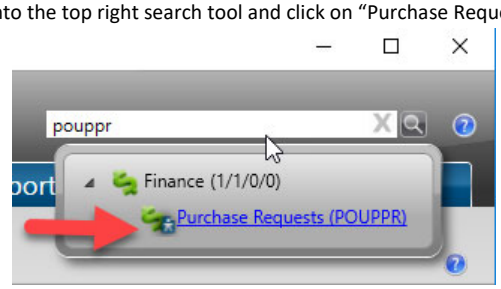
Attachment: Professional Services Agreement/ or Purchase Agreement

EXHIBIT L

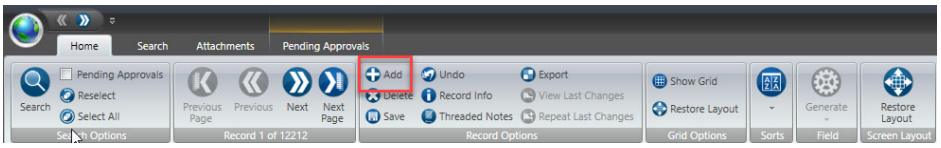
INSTRUCTIONS TO CREATE A STANDARD PURCHASE ORDER (PO)

Creating a Purchase Order

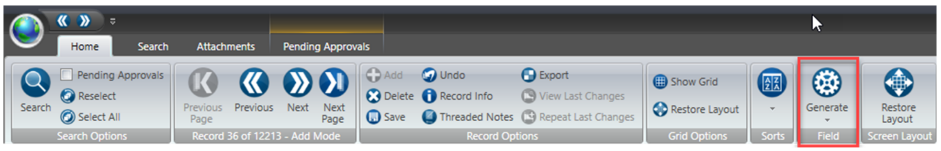
1. Login to OneSolution
2. Type POUPPR into the top right search tool and click on “Purchase Requests (POUPPR)



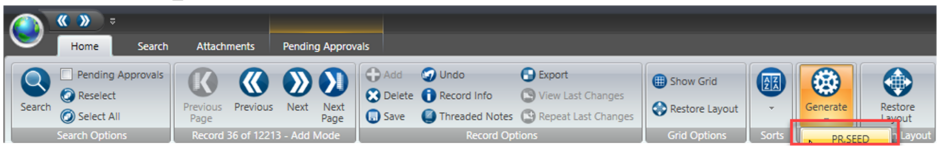
3. Click on “Add”



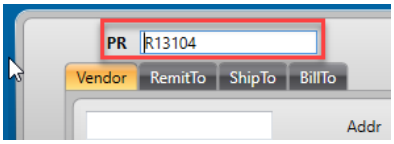
4. Click on Generate



5. Click on PR_SEED



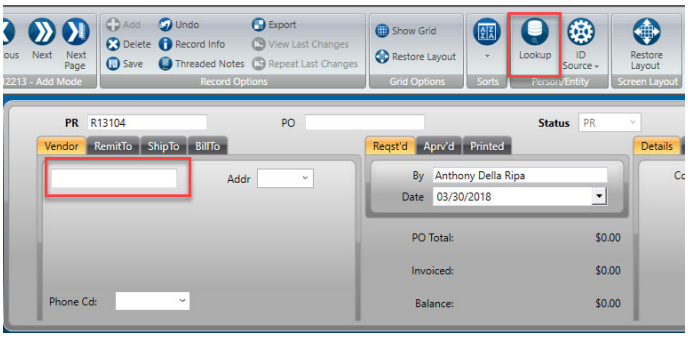
6. Write down the PR Number

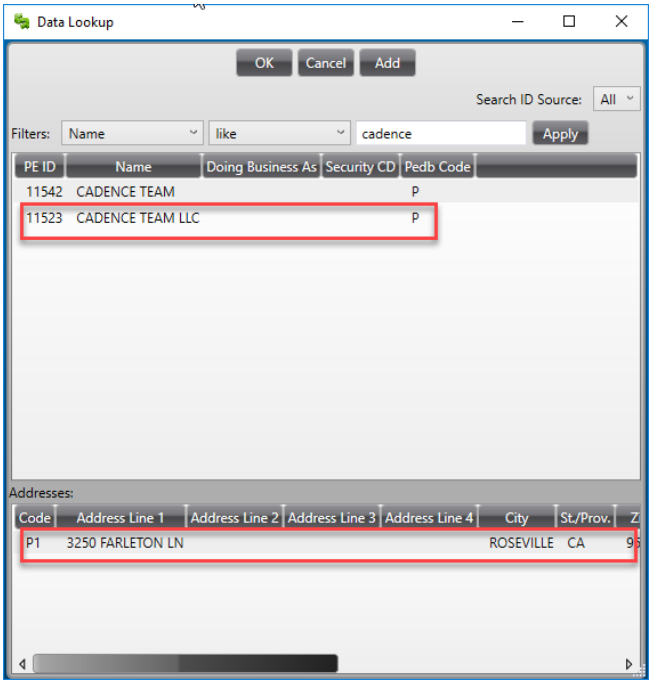


7. If you know the vendor ID then type it in the text box that is located in the Vendor tab. If you don’t know the ID then you can search for it by name. If the vendor is not in our system then you will have to request a W9 from the vendor and send it over to Ben so he setup the new

vendor in our system. If this new vendor is doing any work on one of our properties then a business license is needed. Have Finance contact this new vendor to setup a business license.

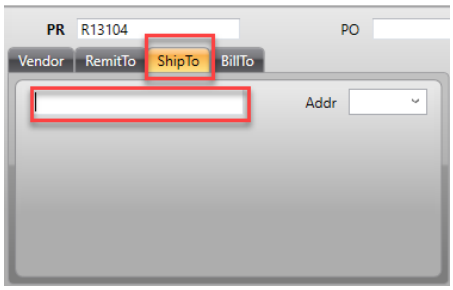
8. Type in the Vendor ID in the text box or look it up. Select the vendor and the correct address then click on OK at the top.

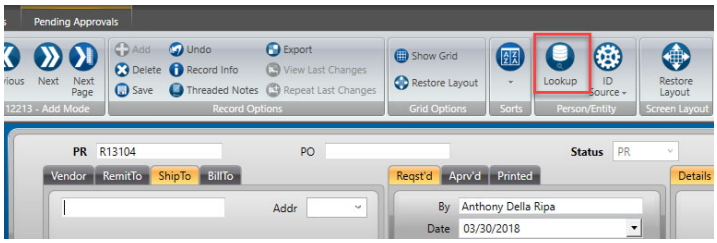


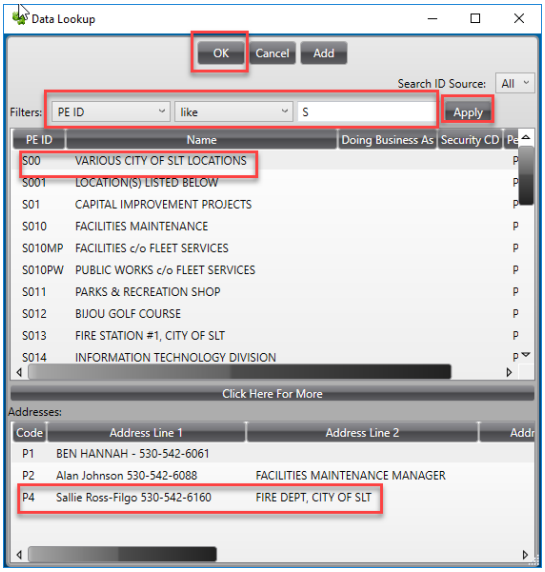


9. Click on the Ship to Tab. If you know the ship to ID then type it in the box or you can search for it. To search click on the Lookup button. All city building starts with a S. Filter by PE ID and type

in an “S” and click on “Apply”. Look for the city building that it needs to be shipped to and select the correct person at that address.

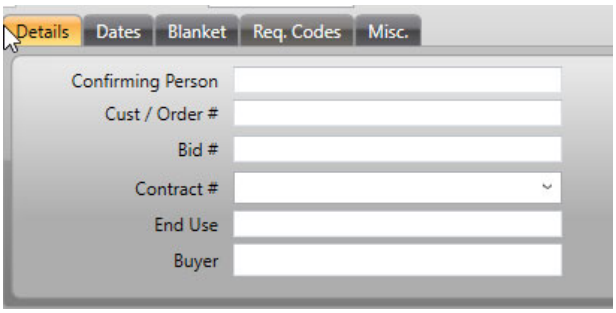




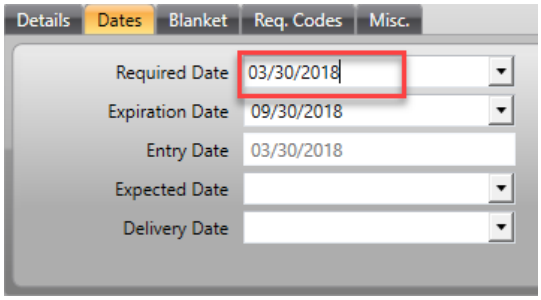


10. Under the “Details” tab type in the following
    a. Confirming Person – The person requesting this item/service

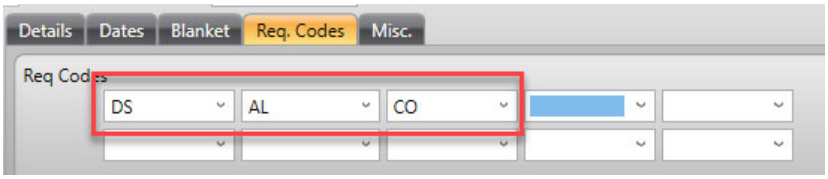
b. Cust / Order # - Quote or order number if available
c. Bid # - If available
d. Contract # - If available
e. End Use – The department or division requesting this PR
f. Buyer – Leave Blank



11. Go to the "Details" tab and type in the current date



12. Skip "Blanket" Tab
13. Click on "Req. Codes" Tab. Make sure the following codes are selected.



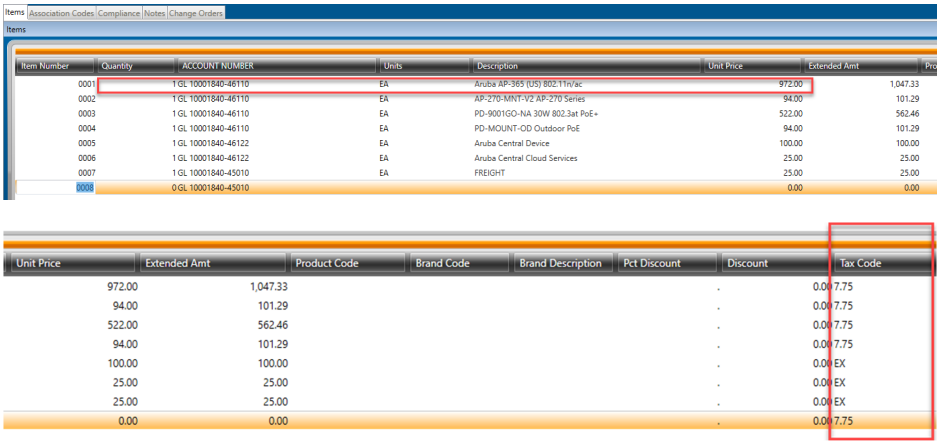
14. Skip "Misc." Tab

15. Click on the "Notes" Tab. In the dropdown there are three choices
    a. PR Notes – This is for internal notes only
    b. Print Before – This will place the note directly on the PO above the first line item.

i. Quote number
ii. Delivery instructions
iii. Etc…

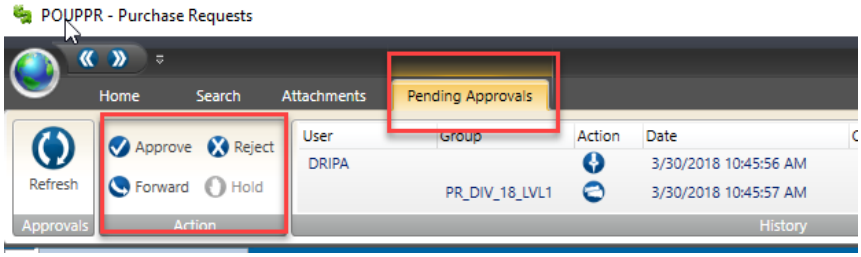
c. Print After – This will place the note directly after the last line item.
   i. Quote number
   ii. Delivery instructions
   iii. Etc…

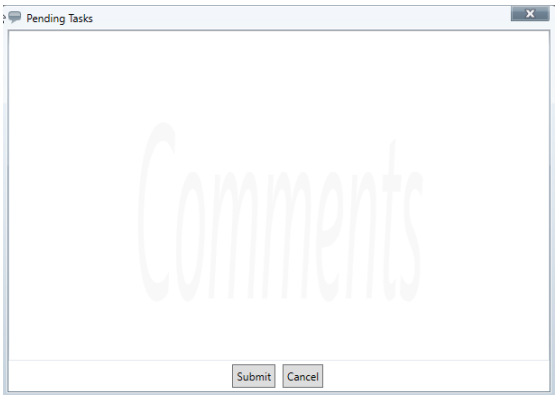
16. In the "Items" tab. Enter in the Quantity, Account Number, Units, Description, Unit Price. If Tax is NOT required, then scroll to the right and select EX under the "Tax Code" column. After entering the data in each filed press the "Enter" to save the item and two add a second item.



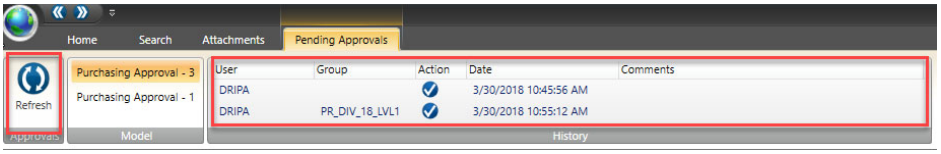
Item Number	Quantity	ACCOUNT NUMBER	Units	Description	Unit Price	Extended Amt	Unit Price	Extended Amt	Product Code	Brand Code	Brand Description	Pct Discount	Discount	Tax Code
0001	1	GL 10001840-46110	EA	Aruba AP-365 (US) 802.11n/ac	972.00	1,047.33	972.00	1,047.33				.	0.00	7.75
0002	1	GL 10001840-46110	EA	AP-270-MNT-V2 AP-270 Series	94.00	101.29	94.00	101.29				.	0.00	7.75
0003	1	GL 10001840-46110	EA	PD-9001GO-NA 30W 802.3at PoE+	522.00	562.46	522.00	562.46				.	0.00	7.75
0004	1	GL 10001840-46110	EA	PD-MOUNT-OD Outdoor PoE	94.00	101.29	94.00	101.29				.	0.00	7.75
0005	1	GL 10001840-46122	EA	Aruba Central Device	100.00	100.00	100.00	100.00				.	0.00	EX
0006	1	GL 10001840-46122	EA	Aruba Central Cloud Services	25.00	25.00	25.00	25.00				.	0.00	EX
0007	1	GL 10001840-45010	EA	FREIGHT	25.00	25.00	25.00	25.00				.	0.00	EX
0008	0	GL 10001840-45010			0.00	0.00	0.00	0.00				.	0.00	7.75

17. Once you are finished adding items. You will have to approve the PR out of your queue. At the top you should have "Pending Approvals" tab; If you don't, please see below to activate it. Click on that tab and select one of the four choices. When you select one a second window will popup so you can type additional notes for yourself or for the next approver in the queue.



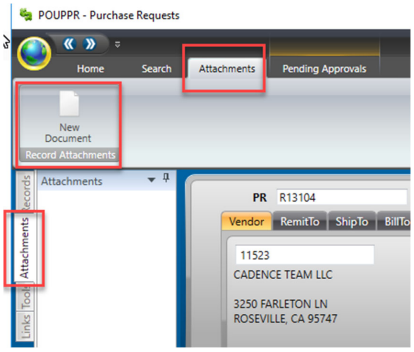


18. If there are multiple approvers you can click on refresh to see who next in line to approve the PR.

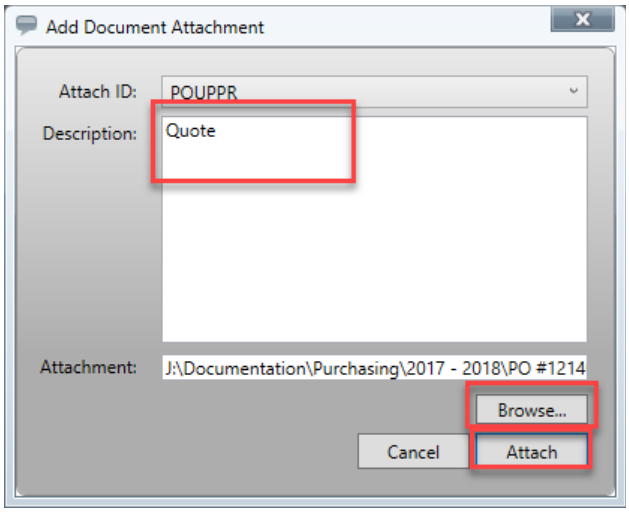


Adding Attachments to the PR

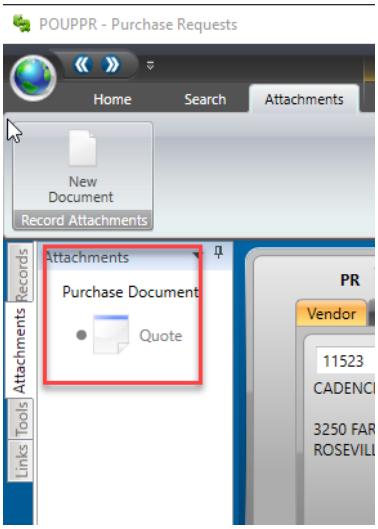
1. Click on the "Attachments" tab on the top will allow you add new documents. The "Attachment" tab on the left will show you the current documents attached to the PR.



2. Click on "New Document". A second window will popup. You will need to add a description and then browse to the location where your attachment is saved. Then click on "Attach."

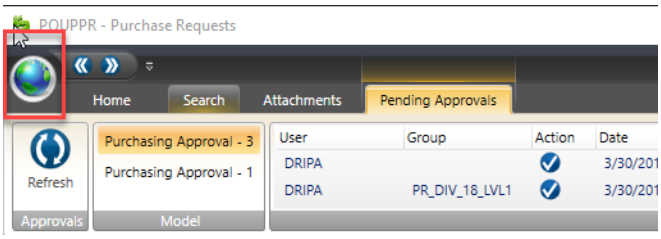


3. You will see the document listed on the left side. If the wrong document was attached; just hover you mouse of the attached document and send IT the document ID and request that document to be removed.

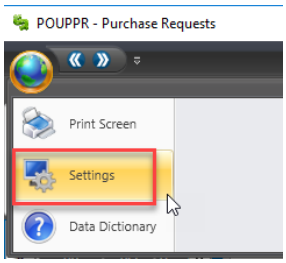


Activating the "Pending Approval" tab and "Attachments" Tab

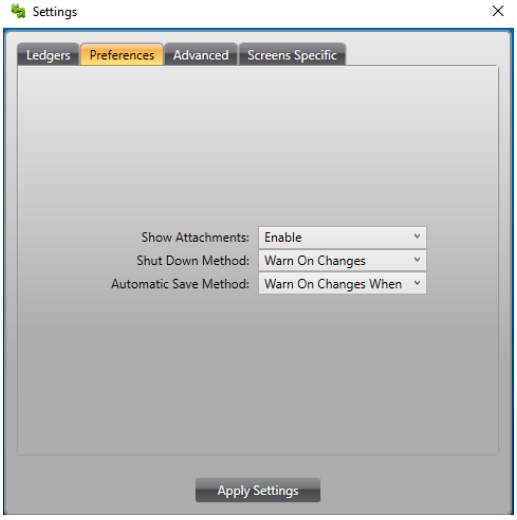
1. Click on the Globe



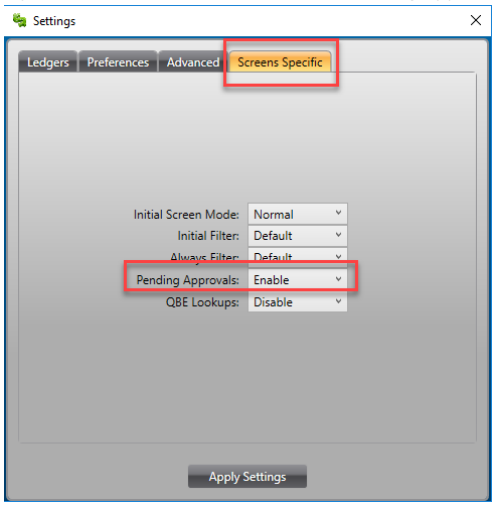
2. Click on “Settings”



3. Click on “Preferences” tab and select “Enable for “Show Attachments”. Then click on “Apply Settings”



4. Click on “Screens Specific” tab and select “Enable” for “Pending Approvals”



Purchase Order Rules

1. All quotes, sole source form, state contracts, etc.... and the approved PO must be attached to the PR.

FINANCIAL MANAGEMENT PROCUREMENT POLICY

These guidelines establish the basic policies and procedures for the procurement of goods and services in accordance with City Ordinance Adopted and Approved by the City Council August 8, 2023. Procedures are drafted by the Finance Dept. in coordination with the City Attorney and City Manager's office. All City employees responsible for the procurement of goods and services while conducting City business are responsible for knowing and following this policy.

Quick Guide to Purchasing

Dollar limit	For Materials, Supplies, Equipment & Services	Forms Required	Approval Authority
$0 $9,999	Discretionary purchases: no competitive bid required. Purchase using Cal Card, or vendor invoice- signed, with account number. **ALL services performed by an outside vendor at a city-owned property require a Purchase Order or PSA.**	Signed invoice or e-mail approval with acct. number PO for service	Supervisor/ Designated Purchaser
$10,000 – $29,999	Requires 3 informal quotes, cooperative contract, or Sole Source Justification form. Purchase using approved vendor invoice, or PO with budgeted account number. ***ALL services performed by an outside vendor require a Purchase Order or Professional Services Agreement.**	3-Quotes or Sole Source form, Co-op contract#, PO, or invoice w/ acct#	Department Head
$30,000 – $59,999	Requires 3 informal quotes, co-op contract, or Sole Source Justification form. Provide budgeted account number and proper signing authority. ***ALL services and purchases of goods at this threshold require a PO and/or written contract approved by Dept. Head & City Manager.**	All above + PO, PSA/ or Purchase Agreement	Department Head and City Manager
$60,000 +	Requires Formal Bid process with City Council approval. **All services and purchases of goods require a written contract approved by the City Attorney's office as well as City Council approval.**	All above + - RFP or BID -Staff report	City Council Award- invoices signed by DH, CM

NOTE: ALL construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting and repair work involving **ANY publicly owned, leased, or operated facility** is considered a **Public Project** and is subject to the City's Public Works Code and the Uniform Public Construction Cost Accounting Act." (City Code SLTCC § 3.45, Article II). **Contact the Public Works Department (ext. 6034) for further direction prior to engaging in any of these activities.**

Table of Contents

This Policy is organized into the following five sections:

1. General Standards 4

1.1 Code of Ethics 4

1.2 Conflict of Interest 5

1.3 Public Projects (CUPCCA) 5-6

1.4 On-Site Services 7

1.5 Splitting Purchases 7

1.6 Sole Source Purchasing 7

1.7 Environmentally Preferable Products 8

1.8 SB 1383 Recovered Organic Waste Products 8

1.9 Cooperative Purchasing 9

1.10 Business License Requirement 9

1.11 Budget Appropriation 9

1.12 Disposition of Surplus 10

2. Discretionary Purchases (less than $10,000) **10-11**

2.1 Signature Authority 10

2.2 Purchase utilizing Federal Funds/Other Revenue 11

2.3 Discretionary Process 11

3. Informal Solicitations ($10,000 - $59,999) **11-12**

3.1 Signature Authority 11

3.2 Equipment and Capital Expenditures 12

3.3 Informal Bid and Proposal Process 13

3.4 Purchase Orders 14

3.5 Purchase Agreement 14

3.6 Professional Service Agreement 14

4. Formal Solicitations ($60,000 and above) **14-15**

4.1 Signature Authority 15
4.2 Formal Bidding Process 15
Public Projects 15
Requests for Proposals (services or consultants) 15
Requests for Qualifications (pre-qualification for consultants) 15
Invitation to Bid (goods, materials equipment) 15
4.3 Local Business Preference 16
4.4 Bidders Security 16
4.5 Bid and RFP/RFQ Evaluations 16-17
Rejections / Tie Bids 17
Less than three Bids/ No Bids Received 18
Waiver of Irregularities and Rejection of Bids 18
4.6 City Council Staff Recommendations 18-19
Staff Report / Resolution 19
4.7 Bid Protests 19
4.8 Maintaining Documentation 20
5. Forms and Templates 21-94
Exhibit A- Payment Request Form 22
Exhibit B – Sole Source Justification 24
Exhibit C – Request for Quotes 26
Exhibit D – Contract/Agreement Routing Form 28
Exhibit E – Bid Evaluation Forms and Scoresheet 30-33
Exhibit F – Standard RFP/RFQ Required Template 34-42
Exhibit G – Standard PSA (Professional Services Agreement) 44-60
Exhibit H – Standard Invitation to Bid 61-70
Exhibit I – Standard Purchasing Agreement (contract for goods) 71-80
Exhibit J – Bid Rejection Letter 82
Exhibit K – Bid Acceptance Letter 84
Exhibit L – Instructions to Create a PO 85-94

1. GENERAL STANDARDS:

The City's Purchasing Ordinance (SLTCC § 3.45) and Procurement Policy are in place as guideline to ensure materials and services are purchased in a legal and cost-effective manner. The purchasing functions are decentralized, with each Department/Division responsible for procuring their own goods, services, and contracts, and maintaining compliance with City policies and procedures. Employees and City Officials are responsible for exercising good judgment in requesting, approving, and procuring goods, services, and contracts on behalf of the City of South Lake Tahoe to provide prudent stewardship of public funds and City resources.

Adoption and Implementation: The City Council is responsible for adopting the City's Purchasing Ordinance and Procurement Policy and approving significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to City procurement are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

1.1 CODE OF ETHICS

Public employees and officials shall act in good faith to perform their duties ensuring fair and equitable treatment of all persons dealing with government procurement; to foster public confidence in the integrity of the procurement process; and to ensure the appropriate application of purchasing ethics. When engaging in procurement, any person employed by the City of South Lake Tahoe, or vendors and third parties doing business with the City of South Lake Tahoe, shall be bound by this code of ethics, including but not limited to the following:

1. Avoid the intent and appearance of unethical behavior or fraudulent practices;
2. Diligently follow the procurement laws, rules, and procedures;
3. Refrain from any activity that would create a conflict between personal interests and the interests of the City;
4. Identify and eliminate any conflicts of interest;
5. Avoid soliciting or accepting money, loans, credits, discounts, favors, gifts, or services from present or potential suppliers which may influence or appear to influence purchasing decisions;
6. Ensure that all persons are afforded equal opportunity to compete in a fair and open environment, and;
7. Encourage any person, including any actual or prospective bidder, offeror, contractor, or business to act in good faith to practice purchasing ethics, and display business integrity as a responsible offeror.

1.2 Conflict of Interest

Any officer or employee of the City acting or appearing to act on behalf of someone other than the City; or in carrying out duties has or appears to have a self-interest from which a personal profit or gain is realized or that is actually or potentially adverse to the best interests of the City is displaying a "conflict of interest".

No officer or employee of the City shall have any interest, financial or otherwise, direct, or indirect, or have any arrangement that may reasonably be expected to bias the procurement process or influence the bidding and purchasing of goods, services, or public projects. Officials and employees of the City shall avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain
- Giving preferential treatment to any person or organization
- Losing complete independence or impartiality
- Making an official decision outside official channels
- Adversely affecting public confidence in the City and the procurement process
- Or any other Conflict of Interest, real or perceived

The City of South Lake Tahoe reserves the right to deny approval, purchase, payment, or reimbursement of expenses that are considered fraudulent, lavish, extravagant, or are unsupported by* required *documentation.

1.3 PUBLIC PROJECTS

ALL construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting, and repair work involving **ANY** publicly owned, leased, or operated facility is considered a **Public Project** and is subject to the City's Public Works Code and the Uniform Public Construction Cost Accounting Act." **(CUPCCAA)** (City Code SLTCC § 3.45, Article II)

Prequalification: The City may require each prospective bidder for a contract to submit a standardized questionnaire and financial statement in the form specified by the director of public works. The City may establish a process for prequalifying prospective bidders on a quarterly basis, and a prequalification pursuant to this process shall be valid for one calendar year following the date of initial prequalification. The director of public works is authorized to establish such a quarterly prequalification process. Refer to City Code for bidder appeal process. (City Code SLTCC § 3.45.105)

Director of public works authority for Public Projects: Public project contracts of **$60,000** or less may be executed by the director of public works or his or her designee by force account, negotiated contract, or purchase order. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California. This includes contract change orders combined up to this amount.

Informal bidding for Public Projects: Monetary Limit. Public contracts of **$200,000** or less may be executed by the director of public works or his or her designee as well as let to contract by

informal procedures as set forth in this section. Contract change orders up to this amount may be approved by the director of public works, so long as the combined amounts are within the approved project budget. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

1. Contractors List: The city shall maintain a contractors list and contractors shall be selected to perform public projects in accordance with the provisions of Public Contract Code Section 22034.
2. Notice Inviting Informal Bids: Not less than 10 calendar days before bids are due, the city will mail notices inviting informal bids to all contractors on the contractors list and/or all trade journals specified in Public Contract Code Section 22034(b).

Formal Competitive Bidding: Public projects of **greater than $200,000** shall be bid in accordance with the procedures set forth in Public Contract Code Section 22037 et seq. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-22)

Lowest Responsible Bidder: Contracts for public projects shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the city may accept the one it chooses. In determining the lowest responsible bidder, the following factors may be considered in addition to price:

1. The ability, capacity and skill of the bidder to perform the contract or provide the service required;
2. The character, integrity, reputation, judgment, experience, efficiency and performance demonstrated in previous contracts or services for the city;
3. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the services;
4. The ability of the bidder to provide future maintenance for service for the public project. (Ord. 1171 § 1; Ord. 1165 § 1; Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-25)

Design-Build Contracts: The purpose of this section is to authorize and provide guidelines for the award and use of "design-build contracts," which means a public project procurement method in which both the design and construction of the project are procured from a single entity, in accordance with Public Contract Code Section 22160 et seq. This section shall be effective until January 1, 2025, unless the authorizing statute is extended, in which case this section shall be effective so long as Public Contract Code Section 22160 et seq. is in effect.

1. Design-build procurement may be used for public projects in excess of $1,000,000 consisting of the construction of a building or buildings and improvements directly related thereto and park and recreational facilities, and may not be used for construction of other infrastructure including, but not limited to, streets and highways;
2. Any architectural firm, engineering firm, specialty consultant, or individual retained by the city to assist in the development of plans, designs, performance standards, or the request for proposals shall not be eligible to submit a proposal as a design-build entity or join a design-build team.

3. Refer to City Code SLTCC § 3.45.165 Design-build contracts for additional guidelines when utilizing this method for procurement.

Contact the Public Works Department (ext. 6034) for further direction prior to engaging in any activity considered to be a Public Project per definition above.

1.4 ON-SITE SERVICES

On-Site Service: any repair service, maintenance, professional service, or service of any kind conducted on the property of any city-owned facility or property is subject to the following:

1. Regardless of dollar amount, a Purchase Order (PO), Professional Service Agreement (PSA), or Written Contract must be used for ALL On-Site Services.
2. Cal-Cards are prohibited as a payment for On-Site Services.

1.5 SPLITTING PURCHASES

***Splitting Purchases Prohibited*:** Pursuant to SLTCC § 3.45.050, it is unlawful to split or separate any public project into smaller work orders or projects for the purpose of circumventing or evading these requirements.

Bifurcation of Purchases: No acquisition of materials, supplies, equipment or services from a single vendor, provider, or contractor shall be accomplished by the issuance of several purchase orders or contracts for portions thereof.

1.6 SOLE SOURCE PURCHASING

Pursuant to SLTCC § 3.45.060; where an acquisition would otherwise be subject to competitive bidding, the procurement of materials, supplies, equipment, or services from a Sole Source may be permitted only when submitting an approved Sole Source Justification Form (Exhibit B) and one of the following conditions exists:

1. **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.
2. **Emergency Purchase**: Non-public projects requiring public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, per SLTCC § 3.45.070. Whereas the procedures set forth in this policy would result in hazardous delays, loss to the City, or damage to life, health, safety of citizens, the City Manager may approve the non-competitive purchase of materials, supplies, equipment, or services. For Public Projects, refer City Code § 3.45.180, and Public Contract Code Section 22050.
3. **Sole Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.

4. **Federal Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (Attach authorization to this form)
5. **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc. *(When using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes).*

1.7 ENVIRONMENTALLY PREFERABLE PRODUCTS

Pursuant to SLTCC § 3.45.080; the city desires to purchase environmentally preferable products that minimize environmental impacts, reduce waste by increasing product efficiency, contain recycled content, and contain U.S. Environmental Protection Agency Energy Star-certified materials whenever economically feasible.

1.8 **SB 1383 RECOVERED ORGANIC WASTE PRODUCTS**

Beginning January 1, 2022, SB 1383 requires cities and counties to procure annually a quantity of recovered organic waste products. These procurement requirements will strengthen California's green, self-sustaining economy. Recovered organic waste products can benefit local communities and spaces, improve soil and air quality, and support local environmental initiatives, such as the City's Climate Action Plan.

CalRecycle will assign an annual procurement target to each jurisdiction based on its population. Jurisdictions can fulfill their target by procuring any combination of the following recovered organic waste products where applicable:

- Compost
- Mulch
- Renewable Energy (Transportation Fuel, Heat, and Electricity)

The City's Sustainability Coordinator will be responsible for collecting and maintaining the documents needed to support and demonstrate compliance with the SB 1383 regulatory target for recovered organic waste product procurement and the SB 1383 recycled-content paper regulatory requirements.

Pursuant to SB1383 and SLTCC §3.45.080, Departments should use best efforts in procuring and using "recycled organic products" to help the city meet its procurement target by:

1. Coordinating with the Sustainability Coordinator to identify applicable products.
2. Recognize areas in your department that could utilize these products.
3. Provide invoice copies to Sustainability Coordinator for tracking and reporting.

1.9 COOPERATIVE PURCHASING

Where another governmental agency performs a solicitation and/or bid process for the City and/or multiple agencies or jurisdictions, and where the purchase of materials, supplies and equipment is based upon an agreement or cooperative purchasing program pursuant to authority granted by statue or ordinance, pursuant to contractual arrangement between the city and said governmental agency, or pursuant to a determination by the City Manager that the governmental agency conducted a competitive bidding process, the City may purchase materials, supplies, and complying with the bidding requirements of this policy (ex: CMAS, NASPO, GMAS, SOURCEWELL) (SLTCC § 3.45.090).

1.8 BUSINESS LICENSE REQUIREMENT

The City shall not render payment to any vendor, contractor, or professional service provider where such vendor or provider does not possess a valid South Lake Tahoe business and professions tax certificate (SLTCC § 3.45.095). Contact the Revenue Dept. to inquire about a valid business license (ext. 6012 or ext. 6013).

1. It is the Departments responsibility to ensure the vendor, contractor, service provider, consultant, has a required Business License and appropriate requisite insurance (where applicable).
2. The license and insurance requisites must be obtained prior to purchase or work commencing.

1.9 BUDGET APPROPRIATION

Federal, State, and Local Governments are legally required to operate within an approved Municipal Budget. ***Article 1, Section 9, of the U.S. Constitution states, "No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law".***

1. Government Fund Accounting is required by California Law meaning each stream of revenue and associated expenses must be accounted for and tracked within a specific governmental fund.
2. Appropriated budget **MUST** be available and verified prior to **ANY** purchase, contract, or professional service agreement rendered.
3. If budget is not identified, or funding has not been approved and appropriated into the current fiscal year budget, **STOP**. Do not proceed with the purchase or contract until City Council or the City Manager has appropriated budget in accordance with the following delegation of authority:

Transferring/ Adding Budget	Authorization
Transfers between budgeted line items within the same account number:	**Department Head-** via email to the Administrative Services Director
Transfers between account numbers within the same fund:	**City Manager-** via email from Dept. Head. CM will authorize adjustment via email to Admin. Services Director.
Transfers between funds: (including transfers from undesignated reserves)	**City Council-** via staff report and resolution with explanation for transfer
Adding new Budget (grants, new revenue, unforeseen expenses etc..)	**City Council** – via staff report and resolution with explanation and request to appropriate funding.

1.10 DISPOSITION OF SURPLUS

Surplus property: Goods, materials, vehicles, equipment etc. retained by a government, but not currently being utilized. These items may be out of date, useless, or no longer working.

Surplus property shall be identified by the department; officially declared to the City Council for approval; eliminated from the fixed asset accountability list and; sold at auction or to any organization or non-employee willing to pay fair market price. Alternatively, the City Council may elect to donate or destroy the same in accordance with whatever provision and/or terms and conditions at City Council discretion.

In the event any single item of property's original value is less than $10,000, the Finance Director shall have the authority to sell, or dispose of such surplus supplies or equipment by donation to local schools or nonprofit organizations, or if surplus has no value, by disposal at a refuse company.

Proceeds from sale of surplus property will be allocated to the City's General fund or Vehicle Replacement fund unless the property was originally purchased under contractual obligations with monies from a specific fund, in which case, the proceeds will be returned to that fund.

2. DISCRETIONARY PURCHASES: $0 - $9,999.00

Items and services less than $10,000 can be purchased directly by a City department without a competitive bid process, this threshold must include tax, shipping, and handling. Purchasers should use best efforts and judgment to provide greatest value to the city.

2.1 SIGNING AUTHORITY

Discretionary Purchases require the approval signature of the Department Supervisor or the designated "Purchaser" for the department. Accounts Payable requires a valid invoice,

appropriated account number, printed name, department, and authorized signature to complete a payment. An e-mail approval to pay invoice with account number is acceptable.

2.2 FEDERAL/OTHER REVENUE FUNDS

Purchases utilizing Federal Funds, Grant Funds or other Revenue Sources as the funding source require procurement compliance with this policy as well as the procurement standards set forth in the contract funding the purchase. Specifically, for Federal grant funding, Federal pass-through funding, or any other Federal revenue source, follow General Procurement Standards in the *Code of Federal Regulations (CFR); Title 2: Grants and Agreements section §200.318 through §200.326 (Micro purchase threshold §200.67)*. In determining purchasing bid thresholds while maintaining compliance with multiple policies; utilize the most stringent requirements to ensure meeting all standards and regulations.

2.3 DISCRETIONARY PROCESS

Following are preferred purchasing methods for purchases less than $10,000:

1. ***Cal-Card procurement card:*** purchase of non-service goods at this level. (refer to Cal Card Policy for further guidelines)
2. ***Direct vendor invoice***: include account number, "ok to pay", printed name, department and authorized signature on the invoice or attach Payment Request Form (Exhibit A) to the invoice.
3. ***Purchase Orders:*** when required by the Vendor, or for on-site service, refer to instructions in Exhibit L.

3. INFORMAL SOLICITATIONS: $10,000 - $59,999

Purchases and services between $10,000 and $59,999 are subject to **informal** bidding and proposal processes. In calculating the total amount, include tax, shipping, and handling as well as total lease or contract cost over the life of the contract or lease.

3.1 SIGNING AUTHORITY

$10,000 - $29,999: The Department Head may approve contracts and expenditures up to $29,999.99 and must sign all corresponding invoices, POs, and/or Requests for Payment, or provide authorized e-mail approval to Accounts Payable.

$30,000 - $59,999: Upon approval by Dept. Head, the City Manager must also approve and sign all Contracts, Purchasing Agreements, and/or POs between $30,000 and $59,999, as well as approve all invoices in this threshold. Authorized e-mail by DH and CM for approval is accepted for invoices.

3.2 EQUIPMENT AND CAPITAL EXPENDITURES

Capital Expenditure: funds used to acquire or upgrade the City's fixed assets, such as property, plant, equipment, facilities, and infrastructure.

Capital (fixed) Asset: any asset used in operations with an estimated useful life in excess of three years and generally has value over a longer period (ex. computer equipment, machinery, vehicles etc.).

1. When capital assets are acquired or deeded to the City, copies of related documents shall be routed to the Finance Department in a timely manner to ensure these assets are recorded in the City's financial records.
2. Fixed assets will be subject to inventory control if they meet at least one (1) of the following criteria:
    - The original cost of the fixed asset is equal to or greater than **$10,000** if classified as equipment, $50,000 if classified as buildings or land, or $200,000 if classified as infrastructure.
    - Any asset less than the capitalization threshold as recommended by the Finance Director or requested by a department to be controlled to satisfy an internal or external requirement.
    - Any asset required to be controlled and separately reported pursuant to grant conditions or other externally imposed reporting requirement.

Capital Expenditures utilizing <u>Federal Funds</u>: must follow Code of Federal Regulations CFR §200.313 and §200.439. These guidelines can be found at the link below: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Federal capital expenditures are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Notify A/P through e-mail or notation on invoice when purchasing equipment with Federal Funds costing $5,000 or more. A/P will provide an inventory tag to track the item as noted below.
3. Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the Federal Award Identification Number), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
4. A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

3.3 INFORMAL BID AND PROPOSAL PROCESS

The following processes are to be followed by the ***Department Head or his/her Designee.***

1. Contact at least three individuals, companies and/or entities, documenting **in writing** each quote received (optional to use Request for Quotes Form (Exhibit C))
2. *Optional* - to reach a broad spectrum of qualified vendors, Planet Bids may be used to circulate a Request For Proposal (RFP), Request For Qualification (RFQ), or Invitation to Bid (BID).
3. Where three quotes **cannot** be obtained, complete a Sole Source Request Form approved by the Department Head , City Manager, City Attorney and Finance Director (Exhibit B). One of the requirements in this form must be met to utilize a Sole Source procurement option.
4. Department selects lowest responsible quote (i.e., Department selects quote which is responsive to the needs of the department and is the lowest in price).
5. For Professional Services, the department selects the vendor whose qualifications meet the highest evaluation ranking as the most responsible bidder.
6. **$10,000 - $29,999**: Professional Service Agreement (PSA), Purchase Order (PO), or direct invoice may be used, signed by Dept. Head.
7. **$30,000 - $59,999**: Purchase Agreement (PA), PSA, or PO must be used; reviewed by Finance and City Attorney, signed by City Manager
8. Department Head or designee (DH) prepares the contract **using the appropriate template** (see Exhibits F through I); negotiates and agrees upon terms, scope, and cost with chosen vendor/supplier and:
    - submits document along with Contract Routing Form (Exhibit D) to the Finance Director for budget review, who then forwards document to the City Attorney's Office for review and/or approval
    - City Attorney sends document to City Manager for approval
    - City Manager sends document to City Clerk to attest (where applicable) and for records retention. City Clerk sends executed copy back to the Department and mails copy to the vendor (where applicable).
9. Department sends the following documents to Accounts Payable for payment:
    - Signed invoice and/or PO, Request for Payment with Contract/Agreement
    - Business License #
    - Original Quotes
    - Approved Sole source Request Form (if used)
    - Proof of Insurance (when required)
    - Gov't. cooperative contract information (if used)

3.4 PURCHASE ORDERS

Purchase Orders **must** be used when requesting an **on-site service** of any kind on City property. This protects the City while outside vendors are doing business on/in City-owned property. Purchase Orders can be used when:

1. A vendor does not accept Cal-Cards for discretionary purchases
2. A vendor will not invoice the city without a PO
3. For any type of purchase up to $59,999
4. Clearly note the PO# on the approved invoice and send to Accounts Payable
5. Refer to Exhibit L for instructions in creating a PO

3.5 PURCHASE AGREEMENT

Purchase Agreements (PA) can be used as written contracts when purchasing goods, materials, equipment, and/or products. This type of agreement can NOT be used when procuring consultants for professional services or on-site service on City property. Purchase Agreements can be used when:

1. Purchases over $30,000 or when a written contract is necessary for such goods, materials, products, etc.
2. A vendor requires a written contract other than a PO
3. Submit copy of agreement with approved invoice to Accounts Payable for payment
4. Refer to Exhibit I for template (this template is mandatory when issuing a PA)

3.6 PROFESSIONAL SERVICES AGREEMENT

A Professional Service Agreement (PSA) is a legal contract which is drafted to provide service on a professional level to the City. These services are typically unique in nature, highly technical or require specific qualifications. PSA's can be used when:

1. A professional consultant is necessary to perform a specific set of tasks
2. Should generally be in effect for a specific period, noted in the agreement
3. Should include a "not to exceed" dollar limit
4. Submit a copy of PSA with first approved invoice to Accounts Payable for payment
5. Refer to Exhibit G for template (this template is mandatory when issuing a PSA)

4. FORMAL SOLICITATIONS: $60,000.00 and ABOVE

Purchases and services over $60,000 are subject to formal competitive bidding. Total cost should include tax, shipping, and handling; as well as total lease or contract cost over the life of the contract or lease. The process for obtaining goods and services over this dollar limit is set forth below.

4.1 SIGNING AUTHORITY

All purchases of goods and services **over $60,000** must have **City Council approval** and must be signed by the Mayor or have Mayor's authorization for City Manager as designee for signature.

4.2 FORMAL BIDDING PROCESS

The following processes are to be followed by the Department Head (DH) or his/her Designee. This may include any employee who is the designated purchaser of a good or service or is the project manager for a project.

1. **Public Projects** (i.e., CIP, Public Works) follow Public Contracts and Uniform Public Construction Cost Account Act (CUPCCA) per City Code SLTCC § 3.45, Article II.
2. Verify funding availability. Identify available funding in your current department budget. If there is no funding identified, prepare to request budget transfer or appropriate new funding source through City Council action. (see section 1.9)
3. Depending on the type of service and/or good sought, DH prepares and circulates a Request for Proposals (RFP), or Invitation to Bid (BID) utilizing **Planetbid.com** or circulated via similar means.
4. **Request for Proposals (RFP):** used for soliciting professional services, consultants, lease contracts, complex non-public projects.
    - RFPs are subject to three proposals but are **not** subject to competitive sealed bidding procedures
    - Must use mandatory RFP template (Exhibit F)
    - DH selects Proposal Evaluation Committee and drafts Evaluation Scorecard. Committee reviews Proposals and scores per criteria detailed in RFP.
5. **Request for Qualification (RFQ):** used as the pre-qualification stage of the procurement process. Only those proponents who successfully respond to the RFQ and meet the qualification criteria will be included in the subsequent RFP solicitation process.
    - Used when there is potential for significant interest in a contract opportunity. This can make the process more efficient as the field can be narrowed down prior to the RFP process.
    - Can be used to create a pre-qualified list for a future opportunity
    - Can be used as the sole selection process for straightforward projects/services that require a specialized skill set or where the task is very specific and contract negotiations can proceed with the most qualified vendor.
6. **Invitations to Bid (BID):** used when the City is seeking a specific good, material, equipment, tangible object.
    - BIDs are subject to competitive sealed bidding procedures
    - Must use mandatory BID template (Exhibit H)
    - DH selects BID Evaluation Committee and drafts BID Evaluation Scorecard per details outlined in the BID.

- DH opens bids at the date, time, and location specified in the invitation. The public may attend. Bids shall be open for public inspection at the office of the DH during regular business hours for a period of 30 days after the bid opening.
- Clarifications or changes to a BID must be transmitted to all participating bidders by an "Addendum". A solicitation may be modified prior to BID response due date.

4.3 LOCAL BUSINESS PREFERENCE

The City shall apply a five percent (5%) discount to all Local Businesses which submit bids for materials, supplies, equipment, and services for non-public projects. The City shall evaluate the Local Businesses' bids as though the bid had been submitted at a cost of 5% lower than the cost submitted (SLTCC § 3.45.020(F)). Local Business shall mean a business which maintains its principal place of business in a fixed office within the City of South Lake Tahoe and possesses a current South Lake Tahoe business license. (SLTCC § 3.45.095)

4.4 BIDDER'S SECURITY

When deemed necessary, bidder's security may be prescribed in invitations to bid, RFPs, and RFQs. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within ten days after receipt of contract (SLTCC § 3.45.020).

4.5 BID AND RFP/RFQ EVALUATIONS

BID or RFP Evaluation committee means the body appointed by the DH to review and evaluate proposals submitted in response to the Request for Proposal or Invitation to Bid. The functions of the Committee are as follows:

1. Determine and apply evaluation criteria per Evaluation Forms and Scoresheet
2. Evaluate proposals individually and/or discuss as a committee
3. Rank based on highest score to lowest and/or develop a shortlist
4. Interview/ obtain clarifications
5. Recommend Award

Evaluation Committee shall be comprised of at least three (3) individuals, including:

- At least one employee from the same department as the Department Head
- An employee with knowledge of the subject matter of the service or good, or end user of the service or good
- An employee of the Finance Department
- May also include outside individuals who bring expertise to the process

- ***Evaluation Committee*** **should meet prior to evaluation to review RFP or BID criteria to ensure knowledge of the proposal and to vet questions, concerns, or issues. All members of the committee should have clear understanding of the requirements and the Evaluation Forms prior to review of RFP/BID.**

Evaluation Form- Bids and Proposals shall be evaluated based on an Evaluation Form which sets forth the total possible points for each category reviewed (see mandatory template Exhibit E)

- Evaluators shall each complete their evaluation forms in confidence, however evaluators can discuss requirements of the RFP or BID in relation to the Evaluation Forms.
- Evaluators shall give a point score and Comments for each evaluation category.
- Evaluators may ask questions or request clarification from the Department but should not disclose scores until all reviews are complete and total points tallied.
- The Committee may meet to discuss criteria and results.
- The Committee may request vendor interviews, depending on the outcome or type of solicitation.
- The Evaluation Committee provides the Evaluation Forms and Scoresheet to the Department Head for final determination.

Rejection, Tie Bids, and Rejection of All Bids: A bid or proposal may be rejected by the Evaluation Committee where it is found that the bid or proposal is "non-responsive." Where Evaluation Committee chooses to reject one or all bids, Committee shall confer with the City Attorney on the rejection.

1. Any of the following conditions may render a Bid "**non-responsive**"
    - The bid or proposal does not strictly conform to the required specifications as set forth in the RFP or Invitation to Bid (the City may waive immaterial, minor irregularities in bids).
    - The bidder or proposer has demonstrated that they are unable to satisfactorily meet the responsibilities required of the contract.
    - The bidder's or proposer's products or services have been demonstrated, through documented past performance in the industry or through prior use by the City, to be incapable of satisfactorily meeting the accepted demands required of the product or service.

2. **Tie Bid**- If two or more bids are for the same total amount or unit price and if the responsibility and final score (from the Evaluation Scorecards) are equal, the Department Head or City Council may award to whichever bidder or proposer it so chooses.

Less Than Three BID Responses: Solicitations advertised on the city's Planet Bids portal is considered "competitive solicitation", therefore:

1. If at least **two responsible bidders** respond, the evaluation may proceed as noted in Evaluation section above.
2. If the result is only **one bid response**, and the sole bid is responsive (meets all specifications and requirements), the contract may be awarded subject to the award threshold and Signing Authority of this policy. Documentation of the effort and result of the BID should be noted with the procurement documents.

No Responsive BIDS Received from Responsible Bidders: When competition results in no responsive bids from responsible bidders, the DH has two options:

1. The Solicitation may be cancelled and re-bid, modifying any possible restrictive requirements. Shorter response time can be used if a timeline is a concern.
2. If, in the opinion of the DH, a second solicitation would not result in a different outcome, the DH may cancel the solicitation and proceed with Sole Source documentation, subject to approval by City Council. DH may reach out to bidders using the same specifications as original solicitation. The chosen bidder must be deemed responsible and compliant/responsive to the original specifications.

Waiver of irregularities and rejection of bids: At its discretion, the city may waive any irregularity in any bid received and award the contract, may reject all bids presented and may readvertise the project, or the city may abandon the project. (Ord. 1171 § 1; Ord. 1165 § 1; Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-24)

4.6 CITY COUNCIL STAFF RECOMMENDATIONS

Staff Recommendations for Formal bids and proposals shall be drafted and presented by the Department Head or his/her designee to City Council. Prior to writing the staff report the DH should:

1. Contact losing bidders and informs them that City has selected another bidder (see template Exhibit F)
2. Contacts winning bidder and negotiates terms of contract along with assistance of City Attorney. (see template Exhibit G)
3. Ensures the winning bidder has obtained a City Business License and has the requisite insurance. The License must be obtained *before* any work commences.
4. Places staff recommendation for award of contract on next available City Council Agenda.

Staff Report and/or Resolution must include the following elements:

1. A description and background of the project/product for which the RFP or Invitation to Bid was circulated.
2. A brief summary of how the bids were circulated and brief description of the bids or proposals received.
3. If using a Cooperative Agreement- provide the name of the Gov't. Contract, contract number, **and attach a copy of the contract.**
4. A description of the reasons the winning bidder/proposer was selected.
5. The Financial Implication section should include the complete account number and appropriate budget to fund the product, service, or project.
6. The recommended bidder or proposer's original submission shall be attached.
7. The Professional Service Agreement or Purchase Agreement with negotiated terms approved by the City Attorney should be attached.

4.7 BID PROTESTS

A non-selected bidder may protest the award of an Invitation to Bid. A non-selected proposer **may not** protest the award of a Request For Proposal or Request for Qualifications.

Bid Protest Procedures: Per SLTCC § 3.45.020(E), a written Bid Protest must be received by the City Clerk no later than seven (7) calendar days after the City's selection of the winning bidder or no later than ten calendar days from the date that the City issues notice of designation of a bidder as non-responsible.

Contents of Bid Protest: The Bid Protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

Bid Protests Presented to Council: Where award of the contract is to be made by the City Council, the City Clerk shall place a discussion of the Bid Protest on the next regularly scheduled Council Meeting Agenda and the City Council shall determine whether, based on the Protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next responsible bidder. Staff Recommendations addressing a Bid Protest shall contain the following elements:

1. A description of the project for which the Invitation to Bid was circulated.
2. A brief summary of the bids received.
3. A description of the reasons the winning bidder was selected.
4. A description of the reasons the bid is being protested.
5. The winning bidder's original bid shall be attached.
6. The protesting bidder's original bid shall be attached.
7. All Bid Evaluation Scorecards shall be attached.
8. The Bid Protest shall be attached.

4.8 MAINTAINING DOCUMENTATION

Procurement must be clearly documented throughout each step of the process and documents maintained and filed for audit purposes. The City's annual audit process includes conducting procurement reviews to determine procedures are correctly implemented.

The following documentation should be maintained by the **Department** for a period of **3** years from the date of submission of the final expenditure per Resolution No. 2018-102 City Records Management and Retention Policy and Code of Federal Regulations CFR Chapter II 200 §200.33:

1. All communication documentation with vendors, purveyors, suppliers, etc.
2. Documents related to preparation of the procurement documents; dialogue, or negotiation
3. Original RFP or Invitation to Bid
4. All Bids/Proposals received
5. All Evaluation Scorecards, notes, documentation
6. Copies of Staff Recommendation, staff report, resolution
7. Copies of Contract/Agreement
8. Proof of Insurance (if applicable)
9. Labor Compliance Documentation (if applicable)
10. Sole Source forms (if applicable)
11. Cooperative Govt. Contract documents (if applicable)

The following documentation should be sent to the **Finance Department** (Accounts Payable) **along with the first payable invoice**:

1. Signed invoice and/or Request for Payment, or PO
2. Quotation Form noting bid process and outcome
3. Budgeted/approved account number
4. Copy of Executed Contract/ Agreement
5. Copy of approved Council Resolution (if applicable)
6. Sole Source Justification Form (if applicable)
7. Cooperative Gov't Contract (if applicable)

EXHIBIT A

PAYMENT REQUEST FORM

PAYMENT REQUEST

Vendor#_____

Date Prepared: _____

Comments/Notes: _____

_____

Pay To: _____
_____
_____
_____

Due Date: _____

ACCOUNT NUMBER	DESCRIPTION	PO NUMBER	INVOICE DATE	INVOICE NUMBER	TOTAL PER ACCOUNT INVOICE

TOTAL PAYMENT: $_____

APPROVED: _____

APPROVED: _____ **Budget Available:** _____

APPROVED: _____ **Reimbursable:** _____

Project/ Funding Source: _____

Project/ Funding Source: _____

EXHIBIT B

SOLE SOURCE JUSTIFICATION REQUEST FORM

SOLE SOURCE JUSTIFICATION REQUEST

SOLE SOURCE VENDOR: _____

ADDRESS: _____PHONE NO._____

ITEM TO BE PURCHASED: _____ COST: $_____

1. Check reasons for sole source request:
_____ **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.
_____ **Emergency Purchase**: The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, per City Code SLTCC § 3.45.070

_____ **Sole Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.

_____ **Federal Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (attach authorization to this form)

_____ **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc.
Explain: _____
Note: when using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes.

2. Describe the product or service and how it is unique or one-of-a-kind: _____
_____

3. Explain why the product/service is available from only one source and what avenues you pursued to confirm that this is factual. _____

5. Can your requirements be modified to allow competitive products or services be used?
Explain:_____

REQUESTOR NAME/ DEPARTMENT: _____

DEPARTMENT HEAD SIGNATURE: _____ DATE: _____

FINANACE DEPT. _____ DATE: _____

CITY ATTORNEY SIGNATURE: _____ DATE:_____

CITY MANAGER SIGNATURE: _____ DATE: _____
* Requests over $60,000 requires City Council's approval

.

EXHIBIT C

REQUEST FOR QUOTES FORM

REQUEST FOR QUOTES

QUOTATION INFORMATION

(To be completed by Designated Purchaser for each quote received)

☐ Description of Request for Quotes (describe goods or services sought, including quantity, model number, color, size, delivery date requirements, freight charges, or any other charges: _____

_____

☐ Date Quote Received: _____

☐ Project Manager Name (name of person receiving quote): _____

☐ Company Name (name of company/vendor providing quote): _____

☐ Quoted By (name of company/vendor representative providing quote): _____

☐ Quote Amount: $_____

☐ Promised Delivery Date: _____

☐ Eligible for Local Bidder Preference? (Y/N). If Yes, indicate quote amount, taking into consideration the 5% local bidder's discount): _____

☐ Warranty (describe warranty quoted by vendor): _____

☐ Additional Information (provide additional information including differentiation between good/service requested by City; good/service quoted by company/vendor; and provide any additional pertinent information relevant to the bid: _____

_____

_____

EXHIBIT D

Contract/Agreement Routing Form Template

CONTRACT /AGREEMENTAUTHORIZATION ROUTING FORM

STAFF CONTACT INFORMATION	• NAME: • DEPARTMENT: • PHONE: • DATE OF SUBMITTAL:
CONTRACT/ AGREEMENT INFO.	• NAME: • CONTRACTOR/CONSULTANT: • START: END: OPTION TO RENEW: • AMOUNT OF CONTRACT: $
BUDGET INFORMATION	ACCOUNT NO.: BUDGET AVAILABLE: FUNDING VERIFIED: GRANT FUNDING? Source_____ Federal? Yes___ No___
Type of Contract	Professional Services Agreement _____ License_____ MOU ____Lease _____ Purchase Order _____ Purchase Agreement_____ Construction_____ Revenue Contract _____ Operation/Concession Agreement _____ Deed_____ Maintenance Agreement _____ Public Works Contract _____ Vehicle _____ Motorized Equipment _____ IT/Electronic Equipment_____

Brief Description:

Does this contract involve the following: construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting, and/or repair work involving any publicly owned, leased, or operated facility? Yes_____ No_____ If **yes**, forward to Public Works for review
(Public Works Director authorization required)

Does this contract require special permitting, environmental review, CEQA/NEPA, Planning Dept. review, Commission approval? Yes_____ No_____ If yes, forward to Development Services Department for review ***(Director of Developmental Services authorization required)***

Reviewing Authority	Signature	Date Signed
Department Head	_____	_____
Public Works Director *(where applicable)*		
Dev. Services Director *(where applicable)*	_____	_____
Finance Director	_____	_____
City Attorney		
City Manager	_____	_____
City Clerk		

City Council Meeting Date ***(over $60K or where applicable)*:** _____

EXHIBIT E

BID EVALUATION FORMS/ SCORESHEET TEMPLATE

EVALUATION FORMS

CITY OF SOUTH LAKE TAHOE REQUEST FOR PROPOSALS/ INVITATION TO BID

INSERT RFP/BID TITLE AND NUMBER HERE

Evaluators must give a numeric score for each of the five categories described below. The numeric score may be as low as zero and may not be greater than the maximum score set forth in the point range for each category. Evaluators should explain the reasoning for their allocation of points in the "Comments" section of each category. Attach additional sheets if necessary. Use one form for each Vendor/Proposer and each Evaluator.

Vendor / Proposer: _____

Evaluator Name: _____

I. RESPONSIVENESS OF PROPOSAL/ BID (P/F)

The Pass or Fail shall be based upon the vendor's compliance with the requirements for proposals/bids as set forth in the RFP/ Invitation to Bid, including quality, clarity, and conformance with instructions therein, and shall take into consideration the quality of the Cover Letter and Introduction.

Pass/Fail_____

Comments_____

_____

_____

II. COVER LETTER (0-5 points)

The cover letter shall be addressed to the Director of the Department, and at a minimum, must contain the following:

- **Identification of Firm, including name, address, and telephone number**
- **Name, title, address, and telephone number of contact person during period of proposal evaluation**
- **A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal**
- **Signed by person authorized to bind the Firm to the terms of the proposal.**

Total Points_____
Comments_____

_____

_____

III. EXECUTIVE SUMMARY (0 – 10 points)

Scoring shall be based upon the vendor's ability to describe the overall approach and plans to meet the requirements of the RFP. The intent of this narrative is to convince the City that the Proposer understands the requirements of proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services.

Total Points_____

Comments_____

_____

IV. COMPANY HISTORY, BACKGROUND AND EXPERIENCE (0-20 points)

Describe the Company's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes for project team members. Also include the Firm's background, experience, and capacity to undertake debt collection for the City of South Lake Tahoe in conformity with the requirements of the RFP.

Total Points_____

Comments_____

_____

V. SCOPE OF WORK/IMPLEMENTATION (0 – 35 points)

Describe the Company's general approach to managing the services provided including an explanation of the collection methodology to be followed and specific plans to manage, control, and supervise the services in order to insure satisfactory provision of services. In developing the work plan, reference should be made to the specific requirements and specifications noted in the Scope of Services (pages x – xx). Provide a delivery schedule designed to meet the requirements of the City. An implementation timeline from the Company is required. Provide description of

implementation plan considerations, including timeframes and deliverables for various stages of the agreement.

Total Points_____

Comments_____

_____

VI. PROJECT BUDGET (0 – 25 points)
Provide a description of the project cost and/or fees itemized according to the RFP proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs, fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's Cost Proposal.

Total Points _____

Comments_____

_____

VII. RECENT PROJECTS/REFERENCES (0 – 5 points)
Provide a description of accounts/ agreements of a similar nature including at least three (3) recent client references with names and telephone numbers, contact persons.

Total Points _____

Comments_____

_____

TOTAL COMBINED POINTS: _____
(Add total points from Sections I, II, III, IV, and V)

RANKING (from scoresheet): _____

EVALUATION SCORE SHEET

EVALUATION SCORE SHEET

Vendor/Proposer Name	Evaluator #1 Total Score	Evaluator #2 Total Score	Evaluator #3 Total Score	Evaluator #4 Total Score	TOTAL SCORE	RANKING	COMMENTS
Example- ABC Company	58	61	49		168	1	
Example- XYZ Industries	60	58	45		163	3	
Example- 123 Incorporated	57	59	48		164	2	
					0		
					0		
					0		
					0		
					0		
					0		
					0		

INSTRUCTIONS:

1. Vendor/Proposer Name: Fill in company name from each RFP/BID received
2. Evaluator #1: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
3. Evaluator #2: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
4. Evaluator #3: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
5. Evaluator #4 (if necessary): insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
6. Total Score: This is the total combined score from all evaluators for each Vendor/Proposer
7. Ranking: Rank each Vendor/Proposer based on total number of points, highest to lowest. Rank numerically, 1 as the highest
8. Comments: note any comments relevant to the scores, or comments the DH should consider for final determination
9. #1 Ranking typically is the Highest number of points and would be the recommended vendor to the Department Head
10. Department Head makes the recommenation for Award based on ranking, comments, and recommedation

.

EXHIBIT F

STANDARD RFP/RFQ TEMPLATE

REQUEST FOR PROPOSALS/QUALIFICATIONS

TITLE

PICTURE

RFP/RFQ # date of award yyyy-mm-dd

SUMMARY

The City of South Lake Tahoe is requesting proposals(or statement of qualifications (SOQ) for an RFQ) from…brief summary of who/what we are looking for

Proposals are due on or before **MM/DD/YYYY no later than 12:00 p.m.** (Pacific Standard Time) at City offices (City address xxx, South Lake Tahoe, CA 96150). Proposals received after the deadline will not be accepted. Proposals and required copies must be submitted by U.S. mail or personal delivery to the address below, Electronic-mailed (e-mail), and/or on-line portal planet bids. xxxxxx submission will not be accepted. (Choose preferred method)

City of South Lake Tahoe
Attn:
RFP Title
City address
South Lake Tahoe, CA 96150

Read this RFP document carefully as the award will be given to the most "responsible and responsive" Proposer responding to this RFP. The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting proposals, to advertise the RFP at any time and to waive any minor irregularities in any proposals.

In the opinion of the City of South Lake Tahoe, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please use the Q&A feature that is found within Planet Bids, where the RFP is posted.

Please note that no information given will be binding upon the City unless such information is issued in writing as an official addendum to this RFP.

TIMELINE OF CRITICAL DATES

Release of RFP	
Mandatory Pre-Proposal Meeting	**Write N/A or Delete Row**
Deadline for Question Submittal via Planet Bids	
RFP submittals DUE	
Selection Committee Review Period/Interviews	
Award Date	

SUBMITTAL PROCEDURES

1. Register with the City

All Proposers **must** complete a "Vendor Information Sheet" to be entered in the City of South Lake Tahoe Vendor Database, which is **required to submit a proposal**. Proposers will be notified by the City of any addenda that may be issued to this Request for Proposal (RFP). Proposers must register in the City's Vendor Database to be notified of such addenda
To register, go to: https://pbsystem.planetbids.com/portal/14997/portal-home and follow the instructions applicable to Proposer. Following submission, Proposer will receive a confirmation message within 24 hours from the City. Proposers are *solely responsible* for maintaining up to date and accurate information in the Vendor Database.

2. Number of Copies

The Proposer must submit in a sealed package(s) one (1)" Original", and five (5) complete copy sets of the "Original" response. Proposals shall not be e-mailed or faxed to the City. **Proposals not received by the date and time specified in this RFP, will be rejected.** Documents submitted in response to this RFP will become the property of the City of South Lake Tahoe and will be regarded as public record under California Public Records Act under Government Code 6250 et seq., and subject to review or release to the public, **excluding** financial records marked "confidential" which shall be available for the Proposer to pick up following a review and selection of the firm(s).

3. Format

Font, Type and Style: All proposals shall be single sided and professionally prepared (no hand-written proposals will be accepted). There are no requirements on font size, type, or style requirements.

Not Bound: Proposals shall not be bound with anything other than a clip or staple to allow the City to make additional copies as needed. No comb binding or permanent binding is permitted.

4. Submittal Deadline

Response to this RFP is due on or before **MM/DD/YYY** **no later than 12:00 p.m.** (Pacific Standard Time) at City offices (address below). Reponses received after the deadline will not be accepted; there are no exceptions. xxxxxx submission will not be accepted. Submit Proposals to:

City of South Lake Tahoe
Attn:
RFP Title
City Address
South Lake Tahoe, CA 96150

5. Selection Process

A Selection Committee consisting of City Staff will evaluate the submitted proposals. Proposer(s) will be objectively evaluated based on their responses to the project scope outlined in this RFP. The written proposal should clearly demonstrate how the Proposer could best satisfy the requirements of the City. The Selection Committee will utilize the Evaluation Method and Criteria described on page XX of this RFP to rate and rank each proposal.

If more information is needed following a review of the Proposals, the Selection Committee *may* invite one or more of the Proposers to a Selection Interview. Upon completion of interviews, (if needed) a recommendation by the Selection Committee to the City Manager/City Council will be made at that time and awarded in accordance with the City of South Lake Tahoe Procurement Policies & Procedures.

The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting proposals, to advertise the RFP at any time and to waive any minor irregularities in any proposal.

6. Professional Services Agreement

The Professional Services Agreement with the selected Proposer will begin within 30 days of award of contract. The selected Proposer will be required to sign the City's Standard Professional Services Agreement. A sample of this Agreement is attached hereto, and the City reserves the right to amend or edit this Agreement however it sees fit.

7. Reservations

a) The City reserves the right to reject any and all proposals, whether or not minimum qualifications are met, and to modify, postpone, or cancel this Request for Proposal, in whole or in part, or decide to award a contract to perform only some of the services outlined in this Request For Proposal, without liability, obligation, or commitment to any party, firm, or organization.

b) In addition, the City reserves the right to request and obtain additional information from any Proposer and to negotiate the final scope of services with the selected Proposer. The City is not liable for any costs incurred by Proposers prior to issuance of an agreement, contract, or purchase order. Costs of developing the proposals, oral presentations or any other such expenses incurred by the Proposer in responding to the RFP are entirely the responsibility of the Proposer and shall not be reimbursed in any manner by the City of South Lake Tahoe.

c) Only the City Council of South Lake Tahoe, or the City Manager after being duly authorized by the City Council, may execute the Agreement with the successful Proposer. Further, it is understood that respondents must independently evaluate the information in this RFP and that the City makes no guarantee of data accuracy.

d) The City reserves the right to waive or permit cure of minor informalities and/or insignificant mistakes such as matters of form rather than substance and to conduct discussions and negotiations with any *qualified respondent* in any manner deemed necessary by the City to serve its best interests. The City also reserves the right, based on its sole judgment and discretion, to award a contract based upon the written proposals it receives without conducting discussions, interviews, or negotiations.

e) If, in the opinion of the City, a proposal contains false or misleading statements or references, it may be rejected without notice to Proposer.

f) The City reserves the right to obtain written clarification of any point in a Proposer's proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a Proposer to respond to such a request for additional information or clarification may result in rejection of the proposal.

g) The City reserves the right, without qualification, to select a Proposer for further discussions based solely on the content of the RFPs and relevant information obtained from others concerning the respondent's respective records of past performance.

h) Proposer agrees that any response submitted to this RFP will remain current and valid for a period of not less than 120 calendar days from the proposal due date.

8. Local Business Preference (applies to RFP's over $50,000 only)

a) The City shall apply a five percent discount to all local businesses which submit proposals for services for The City of South Lake Tahoe. The City shall evaluate the local businesses' proposals as though the proposal had been submitted at a cost of five percent lower than the cost submitted.
b) Local Business shall mean a business which maintains its principle place of business in a fixed office within the City of South Lake Tahoe and possesses a current South Lake Tahoe business license. To establish a principle place of business in South Lake Tahoe, a business must demonstrate the majority of its principals are based in the South Lake Tahoe office, and that it pays South Lake Tahoe payroll taxes on at least 51 percent of its total payroll.

9. Bidder's Security

a) When deemed necessary, bidder's security may be prescribed in invitations to bid, RFP's and RFQ's. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of contract.

INTRODUCTION

8. Background

Background information that would be relevant to what service is being requested

9. Objective

What is the City's primary objective? What are we trying to accomplish through this RFP?

SCOPE OF SERVICE

10. Scope of Work to be Performed

- List all technical and general specifications of service, etc.….
- Be specific with all details and descriptions.
- Request proposal to be all inclusive of all fees, incl taxes, delivery charges etc...
- Request implementation schedule, timeline, delivery date etc.…

PROPOSAL CONTENT REQUIREMENTS

11. Proposal Requirements - All proposals must include the following information and shall be organized as described below. **Criteria titles and points should be edited or deleted as needed for each RFP –**

A. Cover Letter (0-5 points)

The cover letter shall be addressed to the Director of the Department, and at a minimum, must contain the following:

- Identification of Firm, including name, address, and telephone number
- Name, title, address, and telephone number of contact person during period of proposal evaluation
- A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the Firm to the terms of the proposal.

B. Executive Summary (10 points)

The intent of this narrative is to convince the City the Proposer understands the requirements of proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services.

C. Company History, Background and Experience (0-20 points)

Describe the Company's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes for project team members. Also include the Firm's background, experience, and capacity to undertake the project/services for the City of South Lake Tahoe in conformity with the requirements of the RFP.

D. Scope of Work/Implementation (0-35 points)

Describe the Company's general approach to managing the services provided including an explanation of the methodology to be followed and specific plans to manage, control, and supervise the services in order to insure satisfactory provision of services. In developing the work plan, reference should be made to the specific requirements and specifications noted in the Scope of Services (pages x – xx). Provide a delivery schedule designed to meet the requirements of the City. An implementation timeline from the Company is required. Provide description implementation plan considerations, including timeframes and deliverables for various stages of the agreement.

E. Project Budget (0-25 points)

Provide a description of the project cost and/or fees itemized according to the RFP proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including

all out-of-pocket expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs, fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's Cost Proposal.

F. Description of Recent Projects/References (0-5 points)

Provide a description of accounts/ agreements of a similar nature including at least three (3) recent client references with names and telephone numbers, contact persons.

EVALUATION METHOD & CRITERIA

Proposals will first be reviewed for responsiveness to the requirements. If any information is missing from the required content, the proposal may be deemed non-responsive and returned to proposer and any further review is subject to the City's discretion (see Reservations, page 4).

The Selection Committee will make a recommendation based on the criteria in this Proposal to award the contract/agreement to a selected Proposer. The City may conduct interviews as described on page 4 under Selection Process.

12. Evaluation Criteria

Recommendations for selection will be based on the following weighted criteria of 100 possible points and passing status on all Pass or Fail categories, if any. **This information should match the proposal content requirements on page XX**

Criteria	Points
A. Cover Letter	5
B. Executive Summary	10
C. Company History, Background & Experience	20
D. Scope of Work/Implementation	35
E. Project Budget	25
F. Description of Recent Projects/References	5

ATTACHMENT 1

SAMPLE

PROFESSIONAL SERVICE AGREEMENT

EXHIBIT G

STANDARD PROFESSIONAL SERVICES AGREEMENT TEMPLATE

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the_____day of _____ 202**X** by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and _____ ("Consultant").

RECITALS

A. Consultant is specially trained, experienced, and competent to perform the special services which will be required by this Agreement.

B. Consultant possesses the skill, experience, ability, background, certification, and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue for _____ years.

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed _____ without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

   Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation, or expiration.

7. Ownership of Documents.
   All plans, studies, documents, and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees

and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents, and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

8. Consultant's Books and Records.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant for services provided pursuant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor, or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be

maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors, or subcontractors hired or retained by Consultant are employees, agents, contractors, or subcontractors of Consultant and not of the City.

   City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third-party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

10. Interest of Consultant. Consultant, (and principals, associates, and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

    Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

    a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation, or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation, or counsel. [FPPC Reg. 18700(a) (2)].

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

12. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances, and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations, and codes of federal, state, and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials, and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

    In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

13. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services is performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands,

actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges, and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

15. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all the subcontractor's employees. Any notice of cancellation of all

Workers' Compensation policies must be received by City at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees, and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury, and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing an AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents, and volunteers are to be covered as additional insureds under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents, and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees, or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents, or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount, and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

16. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first-class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Consultant:

Provide a copy to:

17. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience, and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the

subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

18. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid, nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer, and it shall not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination. Consultant shall also comply with all relevant provisions of City's

Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

23. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free workplace by taking the following actions:

    a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

    b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

        i. The dangers of drug abuse in the workplace;
        ii. The person's or organization's policy of maintaining a drug-free workplace;
        iii. Any available counseling, rehabilitation, and employee assistance program; and
        iv. Penalties that may be imposed upon employees for drug abuse violations.

    c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

        i. Will receive a copy of the Consultant's drug-free policy statement; and
        ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

    Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

24. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or

subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

25. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

26. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et.seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

27. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

28. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

29. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

30. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

31. Time is of the Essence. Time is of the essence for this Agreement.

32. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:

By_____

City Manager

Date_____

CONSULTANT:

By _____

Name, Title

Date_____

Business License # _____

APPROVED AS TO FORM:

By_____

City Attorney

Date_____

ATTEST:

By_____

City Clerk

Date_____

Attachments:

Exhibit A – Scope of Services
Exhibit B – Compensation Schedule
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

SCOPE OF SERVICES

EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

Estimated fees (not to exceed)	**$_____**
Hourly Rate:	**$_____/hour**
Travel and out-of-pocket expenses	**$_____**
(travel is included in the TOTAL (not to exceed amount)	
TOTAL (not to exceed)	**$_____**

TIMELINE

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:
Name, Title

By:_____ Date_____

EXHIBIT H

STANDARD INVITATION TO BID TEMPLATE

INVITATION TO BID

TITLE

Picture

BID# date of award yyyy-mm-dd Title

**note: Formal Bids must be posted for minimum of 30 days*

SUMMARY

The City of South Lake Tahoe is requesting formal competitive bids from qualified professional vendors/firms for (short sentence describing what you are looking for).
Sealed or Electronic Bids are due on or before **MM/DD/YYYY** **no later than 12:00 p.m.** (Pacific Standard Time) at City offices (Department Address, South Lake Tahoe, CA 96150). Bids received after the deadline will not be accepted. Electronic Bids must be uploaded by said time and date. Sealed Bids and required copies must be submitted by U.S. mail or personal delivery to the address below, and/or on-line Planet Bids Portal. Fax and Electronic-mailed (e-mail) submission will not be accepted. Sealed paper bids must be marked **"BID yyyy-mm-dd Title"** and mailed to:

City of South Lake Tahoe
Attn: Department Head
Title of Bid
City Address
South Lake Tahoe, CA 96150

Bidders will be notified by the City of any addenda that may be issued to this Formal Invitation to Bid (BID). Bidders must register in the City's Vendor Database to be notified of such addenda (see page 3 for instructions on how to register).

Read this BID document carefully as the award will be given to the "lowest qualified responsible bidder" responding to this BID. The City reserves the right to reject any or all bids. Bids will be publicly opened and read aloud at the "department address" office immediately after the closing of the bid.

In the opinion of the City of South Lake Tahoe, this BID is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please use the Q&A feature that is found within Planet Bids, where the BID is posted.

Please note that no information given will be binding upon the City unless such information is issued in writing as an official addendum to this BID.

TIMELINE OF CRITICAL DATES

Release of Formal Competitive Bid	**xx-xx-xxxx**
Mandatory Pre-Bid Meeting	***optional**
Deadline for questions Submitted via Planted Bids	**xx-xx-xxxx**
Questions & Answers Uploaded	**xx-xx-xxxx**
Formal Bid Due/ Bid opening	**xx-xx-xxxx**
City Council Award	**xx-xx-xxxx**

SUBMITTAL PROCEDURES

1. Register with the City

All Bidders **must** complete a "Vendor Information Sheet" to be entered in the City of South Lake Tahoe Vendor Database, which is required to submit a bid. Go to this website address: https://pbsystem.planetbids.com/portal/14997/portal-home and follow the instructions applicable to Bidder. Following submission, Bidders will receive a confirmation message within 24 hours from the City. Bidders are *solely responsible* for maintaining up to date and accurate information in the Vendor Database.

2. Number of Copies

The Bidder must submit in a sealed package(s) one (1) "Original", and five (5) complete copy sets of the "Original" response. Bids shall not be e-mailed or faxed to the City. **Bids not received by the date and time specified in this BID, will be rejected.** Documents submitted in response to this BID will become the property of the City of South Lake Tahoe and will be regarded as public record under California Public Records Act under Government Code 6250 et seq., and subject to review or release to the public, **excluding** financial records marked "confidential" which shall be available for the bidder to pick up following a review and selection of the bid.

3. Format

Font, Type and Style: All proposals shall be single sided and professionally prepared (no handwritten proposals will be accepted). There are no requirements on font size, type, or style requirements.

Not Bound: Proposals shall not be bound with anything other than a clip or staple to allow the City to make additional copies as needed. No comb binding or permanent binding is permitted.

4. Submittal Deadline

Response to this BID is due on or before **MM/DD/YYYY no later than 12:00 p.m.** (Pacific Standard Time) at City offices (address below). Reponses received after the deadline will not be accepted; there are no exceptions. Fax and Electronic-mailed (e-mail) submission will not be accepted. Submit Sealed Bids to:

City of South Lake Tahoe
Attn: Department Head
"BID yyyy-mm-dd Title"
Department Address
South Lake Tahoe, CA 96150

5. Selection Process

A Selection Committee consisting of City Staff will evaluate the submitted bids. Bids will be objectively evaluated based on their responses to the Scope of Work outlined in this BID. The written bid should clearly demonstrate how the bidder could best satisfy the requirements of the

City. The Selection Committee will utilize the Evaluation Method and Criteria described on page 9 of this BID to rate and rank each proposal.

Following a review of the Bids, the Selection Committee may invite one or more of the bidders to a Selection Interview. Upon completion of interviews, the Selection Committee will submit a recommendation to the City Manager. The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting bids, to advertise the BID at any time and to waive any minor irregularities in any bid.

The City of South Lake Tahoe reserves the right to accept or reject any or all bids or to make no award at all, to extend the period for accepting proposals, to advertise the Invitation to Bid at any time and to waive any minor irregularities in any proposal.

6. Purchase Agreement/ Contract

Upon approval of the Award by City Council; a written Purchase Agreement or Contract will be issued by the City Attorney's Office. The Agreement is in force through the time period specified in the Scope of Work in the bid. The selected Bidder will be required to sign the City's Purchase Agreement or Contract. A sample of this Agreement is attached hereto, and the City reserves the right to amend or edit this agreement however it sees fit. No changes may be made in the agreement without written authorization by the City of South Lake Tahoe. Quantities specified in the purchase agreement are not to be exceeded without written authorization from the City of South Lake Tahoe.

7. Reservations

a) The City reserves the right to reject any and all bids, whether or not minimum qualifications are met, and to modify, postpone, or cancel this Invitation to Bid, in whole or in part, or decide to award a contract on the basis of individual items, or groups of items, or on the entire list of items; to reject any or all bids or any part thereof; and to waive any informalities and/or negotiate minor deviations to the bid, with the successful bidder. The City's decision shall be final, without liability, obligation, or commitment to any party, firm, or organization.

b) In addition, the City reserves the right to request and obtain additional information from any Bidder and to negotiate the final scope of services with the selected vendor. The City is not liable for any costs incurred by Bidders prior to issuance of an agreement, contract, or purchase order. Costs of developing the bid, oral presentations or any other such expenses incurred by the vendor in responding to the BID are entirely the responsibility of the vendor and shall not be reimbursed in any manner by the City of South Lake Tahoe.

c) Only the City Council of South Lake Tahoe, or the City Manager after being duly authorized by the City Council, may execute the Agreement with the successful bidder. Further, it is understood that respondents must independently evaluate the information in this BID and that the City makes no guarantee of data accuracy.

d) The City reserves the right to waive or permit cure of minor informalities and/or insignificant mistakes such as matters of form rather than substance and to conduct discussions and negotiations with any *qualified respondent* in any manner deemed necessary by the City to serve its best interests. The City also reserves the right, based on its sole judgment and discretion, to award a contract based upon the written bids it receives without conducting discussions, interviews, or negotiations.

e) If, in the opinion of the City, a bid contains false or misleading statements or references, it may be rejected without notice to Bidder.

f) The City reserves the right to obtain written clarification of any point in a vendor bid or to obtain additional information necessary to properly evaluate a particular bid. Failure of a Bidder to respond to such a request for additional information or clarification may result in rejection of the bid.

g) The City reserves the right, without qualification, to select a Bidder for further discussions based solely on the content of the BID and relevant information obtained from others concerning the respondent's respective records of past performance.

h) Proposer agrees that any response submitted to this BID will remain current and valid for a period of not less than 120 calendar days from the proposal due date.

8. Bid Protests

a) A non-selected bidder may protest award of contract by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as non-responsible.

b) The bid protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

c) Where award of the contract is to be made by the city council, the city clerk shall place a discussion of the bid protest on the next regularly scheduled council meeting agenda and the city council shall determine whether, based on the protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next lowest responsible bidder.

9. Local Business Preference

a) The city shall apply a five percent discount to all local businesses which submit bids for materials, supplies, equipment, and services for nonpublic projects. The city shall evaluate the local businesses' bids as though the bid had been submitted at a cost of five percent lower than the cost submitted.

b) Local Business shall mean a business which maintains its principle place of business in a fixed office within the city of South Lake Tahoe and possesses a current South Lake Tahoe business license. To establish a principle place of business in South Lake Tahoe, a business must demonstrate the majority of its principals are based in the South Lake Tahoe office, and that it pays South Lake Tahoe payroll taxes on at least 51 percent of its total payroll.

9. Bidder's Security

a) When deemed necessary, bidders' security may be prescribed in invitations to bid, RFP's and RFQ's. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of contract.

INTRODUCTION

8. Background

Background information that would be relevant to what product is being requested

9. Objective

What is the City's primary objective? What are we trying to accomplish through this BID?

SCOPE OF WORK

11. Scope of Work to be Performed:

- List all technical and general specifications of item(s), product, service, etc….
- Be specific with all details and descriptions.
- Request bid to include all fees, tax (8%), delivery charges

- Request implementation schedule, timeline, delivery date

BID CONTENT REQUIREMENTS

12. <u>Bid Requirements</u> - All bids must include the following information and shall be organized as described below.

F. Cover Letter (0-5 points)

The cover letter shall be addressed to the Department, Department Head, Title, and at a minimum, must contain the following:

- Identification of Vendor, including name, address, and telephone number
- Name, title, address, and telephone number of contact person during period of bid evaluation
- A statement to the effect that the bid shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the bidder the terms of the proposal.

G. Executive Summary (10 points)

In a brief narrative, describe the overall approach and plans to meet the requirements of the Invitation to Bid. The intent of this narrative is to convince the City that the Bidder understands the objective that the bid is intended to meet, the nature of the work and/or product, and the level of effort necessary to successfully provide the defined product or scope of work.

H. Company History, Background and Experience (0-20 points)

Describe the Vendor's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes project team members (if applicable). Also include the Vendor's background and public sector experience in conducting description of work/item.

I. Scope of Work/Implementation (0-35 points)

Describe the Vendor's general approach to managing the project or providing the goods, including specific plans to manage, control, and/or deliver the project in order to insure satisfactory provision of services. Provide a schedule designed to meet the requirements of the City. The City's target date for completion/delivery is xxxx weeks/days from the date the contract is signed; however, a timeline from the Vendor is required. Provide description of all costs, implementation, including

estimated timeframes and deliverables.

J. Project Budget (0-25 points)

Provide a detailed description of the project budget/ product itemized according to Scope of Work. The Vendor shall present a specific "not to exceed" fixed fee /cost including associated taxes, fees, and charges and be based on achievement of deliverables. Provide itemized budget.

F. Description of Recent Projects/References (0-5 points)

Provide a description of projects/products of a similar nature including at least three (3) client references with names and telephone numbers, contact persons. Preference shall be given to vendors who have provided satisfactory service to public entity clients.

EVALUATION METHOD & CRITERIA

Bids will first be reviewed for responsiveness to the requirements. If any information is missing from the required content, the bid may be deemed non-responsive and returned to bidder. Further review is subject to the City's discretion (see Reservations, page 4).

The Selection Committee will make a recommendation to the City Manager based on the criteria in this bid to award the contract to the lowest qualified responsible bidder. The City Council will make the final determination whether or not to award a contract/agreement. The City may conduct interviews of the top scoring Bidders.

13. <u>Evaluation Criteria</u>

Recommendations for selection of the Concessionaire will be based on the following weighted criteria of 100 possible points and passing status on all Pass or Fail categories. **This information should match the BID content requirements on page 7**

riteria	Points
A. Cover Letter	5
B. Executive Summary	10
C. Company History, Background & Experience	10
D. Scope of Work/Implementation	35
E. Project Budget	35
F. Description of Recent Projects/References	5

ATTACHMENT 1

SAMPLE

STANDARD PURCHASE AGREEMENT

EXHIBIT I

STANDARD PURCHASE AGREEMENT TEMPLATE

CITY OF SOUTH LAKE TAHOE
PURCHASE AGREEMENT

This Agreement is made and entered into as of the_____day of _____ 202x by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and _____ ("Vendor").

RECITALS

A. Vendor is specially trained, experienced, and competent to perform the special services which will be required by this Agreement.

B. Vendor possesses the skill, experience, ability, background, certification, and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

AGREEMENT

1. Scope of Agreement. Vendor shall provide the goods/materials/products set forth in this agreement and described more fully in the **Exhibit A, "Description of Goods/Materials/Products,"** attached hereto and incorporated herein by reference (hereinafter the "product(s)"). **Exhibit A** further sets forth the requirements for delivery of the product(s), including requirements for installation, maintenance, servicing, etc.

2. Term/Time of Performance. The goods/materials/services described in **Exhibit A** shall be delivered to the City on or before _____.

3. Compensation. Compensation to be paid to Vendor shall be in accordance with **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Vendor's compensation exceed _____ without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Vendor shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item set forth in **Exhibit A**.

4. Expiration and Termination of Agreement. This Agreement shall expire upon written confirmation from the City that Vendor has delivered product(s) in compliance with the scope set forth in **Exhibit A.** Such confirmation shall not be unreasonably withheld.

The City may terminate this agreement if Vendor fails to deliver product(s) and comply with the terms of **Exhibit A** within ten (10) days of the date of delivery set forth in paragraph two (2) herein.

5. Independent Contractor. It is understood that Vendor, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Vendor shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Vendor hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors, or subcontractors hired or retained by Vendor are employees, agents, contractors, or subcontractors of Vendor and not of the City.

   City is not required to make any deductions or withholdings form the compensation payable to Vendor under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Vendor's assigned personnel. Any third-party persons employed by Vendor shall be entirely and exclusively under the direction, supervision, and control of Vendor. Vendor hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

6. Interest of Vendor. Vendor, (and principals, associates, and professional employees of Vendor) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Vendor's services hereunder. Vendor further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

7. Professional Ability of Vendor. City has relied upon the professional training and ability of Vendor to provide the product(s) hereunder as a material inducement to enter into this Agreement. Vendor shall therefore provide properly skilled professional and technical personnel to perform all tasks related to delivery of the product(s), etc. as set forth in **Exhibit A**.

8. Compliance with Laws. Vendor shall comply with all applicable federal, state, regional and local laws, codes, ordinances, and regulations in carrying out his/her duties under this Agreement. Vendor shall observe and comply with all

applicable laws, ordinances, regulations, and codes of federal, state, and local governments.

9. Licenses. Vendor represents and warrants to City that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Vendor to engage in this Agreement. Vendor represents and warrants to City that Vendor shall, at its sole cost and expense, always keep in effect or obtain during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Vendor. Vendor shall always maintain a City of South Lake Tahoe business license during this Agreement. Vendor acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

10. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

11. Indemnity. Vendor hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Vendor's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Vendor agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Vendor's negligent acts, errors, omissions, regarding this Agreement, the Vendor's work under this Agreement, or the Vendor's Scope of Work.

    City does not, and shall not, waive any rights against Vendor which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Vendor, of any of the insurance policies hereinafter set forth.

12. Warranty. Vendor will provide warranty language.

13. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first-class mail. Any such

notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Vendor:

Provide a copy to:

14. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience, and competence of Vendor. Assignments of any or all rights, duties or obligations of the Vendor under this Agreement will be permitted only with the express consent of City. Vendor shall not subcontract any portion of the Agreement without the written authorization of City. If City consents to such subcontract, Vendor shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

15. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

16. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado

Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

17. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

18. Prohibited Interests. Vendor maintains and warrants that it has not employed nor retained any Vendor or person, other than the independent contractors hired in accordance with Vendor's standard business practice, to solicit or secure this Agreement. Further, Vendor warrants that it has not paid, nor has it agreed to pay any Vendor or person, other than a bona fide employee working solely for Vendor or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

19. Amendments. This Agreement may be modified or amended only by a written document executed by both Vendor and City and approved as to form by the City Attorney.

20. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

21. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Vendor. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

22. Time is of the Essence. Time is of the essence for this Agreement.

23. Authority to Enter Agreement. Vendor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE: VENDOR:

By_____ By _____

City Manager Name, Title

Date_____ Date_____

Business License # _____

APPROVED AS TO FORM:

By_____ Date_____

City Attorney

ATTEST:

By_____ Date_____

City Clerk

Attachments:

Exhibit A – Description of Goods/Materials/Products

Exhibit B – Compensation
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

Description of Goods/Materials/Products

EXHIBIT B

COMPENSATION

- **Provide total itemized costs**
- **Include all taxes, shipping, handling, fees, and discounts**

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Vendor shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Vendor:
Name, Title

By: _____ Date_____

EXHIBIT J

BID REJECTION LETTER – TEMPLATE/EXAMPLE

USE DEPARTMENT- CITY LETTERHEAD

Date

Address

Re: Award Decision, Department of _____, RFP # _____ for [service requested]

Dear

Thank you for submitting a proposal in response to the subject Request for Proposals (RFP). An evaluation panel, using the weighted criteria outlined in the RFP, has completed its review, and scoring of all the proposals we received. The proposal submitted by _____ received the panel's highest score. We will be developing a contract for the requested services with that organization. Thank you again for your participation, and for your interest in doing business with the City of South Lake Tahoe.

This award is a final decision subject to the successful negotiation of a mutually acceptable contract. A nonselected bidder may protest the award of a contract by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as nonresponsible. Please see City of South Lake Tahoe Code section 3.45.020 for the full bid protest procedure.

Very truly yours,

EXHIBIT K

BID ACCEPTANCE LETTER TEMPLATE/EXAMPLE

*Use Department City Letterhead

Date

Address

Re: Award Decision, Department of _____, RFP # _____ for [service requested]

Dear

Congratulations. The evaluation panel, using the weighted criteria outlined in the subject Request for Proposals (RFP), has completed its review of the proposals received. We are pleased to announce that your proposal received the panel's highest score.

Enclosed with this letter is an electronic copy of the City's approved Professional Services Agreement. We respectfully ask you to review the terms and conditions. Any changes should be made with MS Word Track Changes so that our Attorney may review them. We also kindly ask that you provide us a scope of services attachment that includes all services requested in our RFP. When both parties arrive at mutually acceptable terms, we will place the master agreement on the City Council agenda for adoption.

Thank you for your interest in working with the City of South Lake Tahoe. If you have any questions or concerns, please do not hesitate to reach out to me at _____.

Very truly yours,

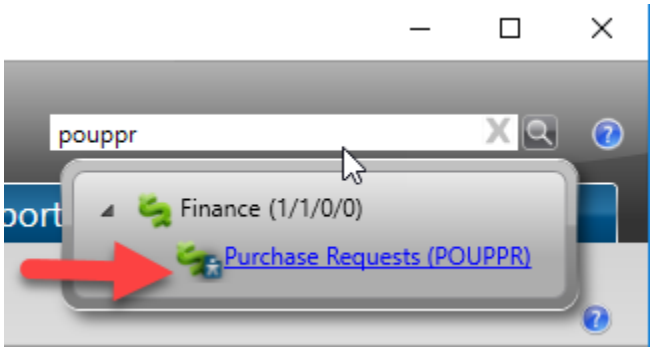
Attachment: Professional Services Agreement/ or Purchase Agreement

EXHIBIT L

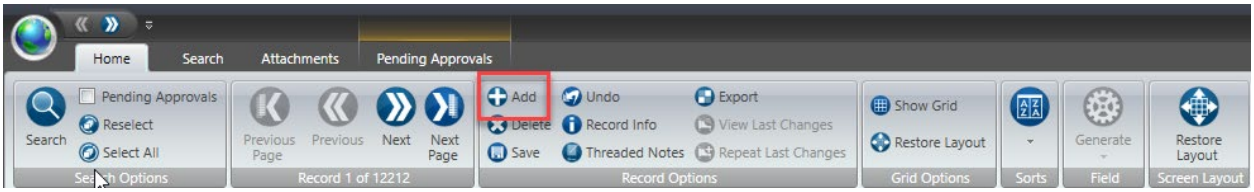
INSTRUCTIONS TO CREATE A STANDARD PURCHASE ORDER (PO)

Creating a Purchase Order

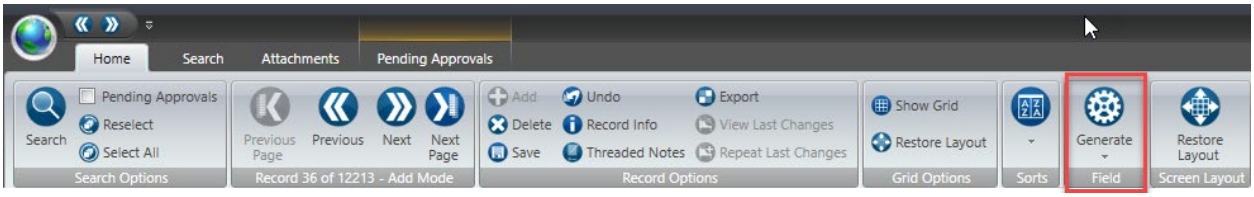
1. Login to OneSolution
2. Type POUPPR into the top right search tool and click on “Purchase Requests (POUPPR)



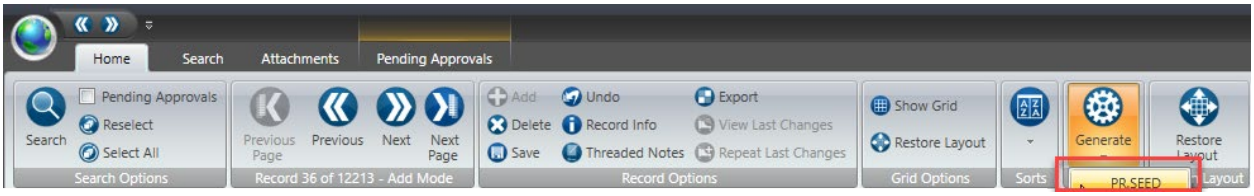
3. Click on “Add”



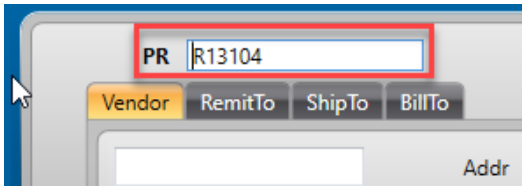
4. Click on Generate



5. Click on PR_SEED



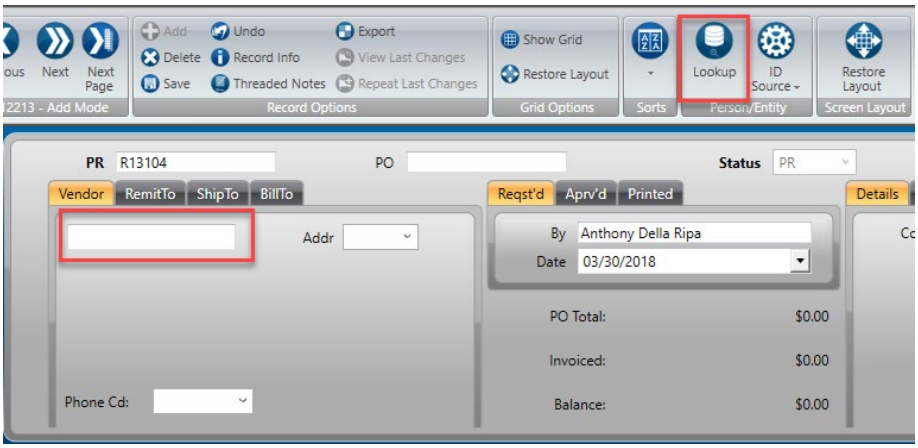
6. Write down the PR Number

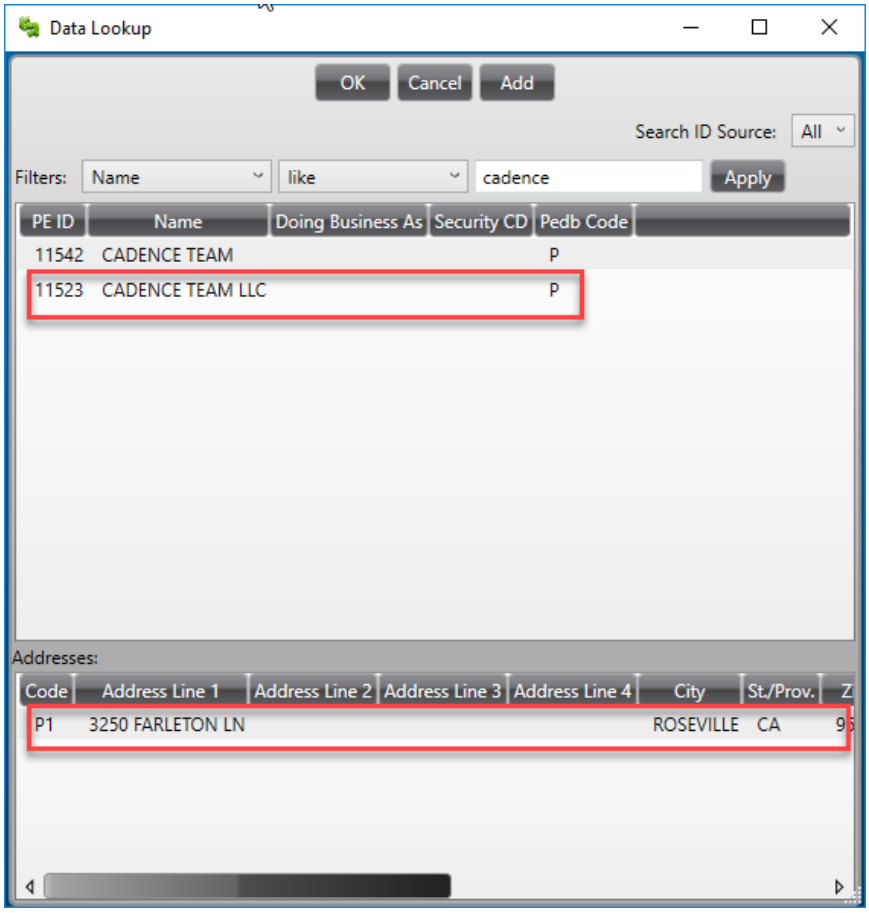


7. If you know the vendor ID then type it in the text box that is located in the Vendor tab. If you don’t know the ID then you can search for it by name. If the vendor is not in our system then you will have to request a W9 from the vendor and send it over to Ben so he setup the new

vendor in our system. If this new vendor is doing any work on one of our properties then a business license is needed. Have Finance contact this new vendor to setup a business license.

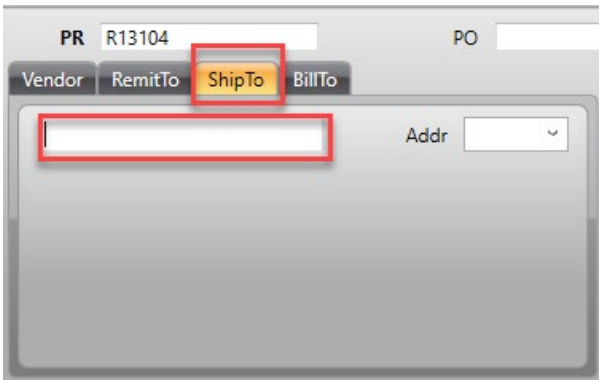
8. Type in the Vendor ID in the text box or look it up. Select the vendor and the correct address then click on OK at the top.

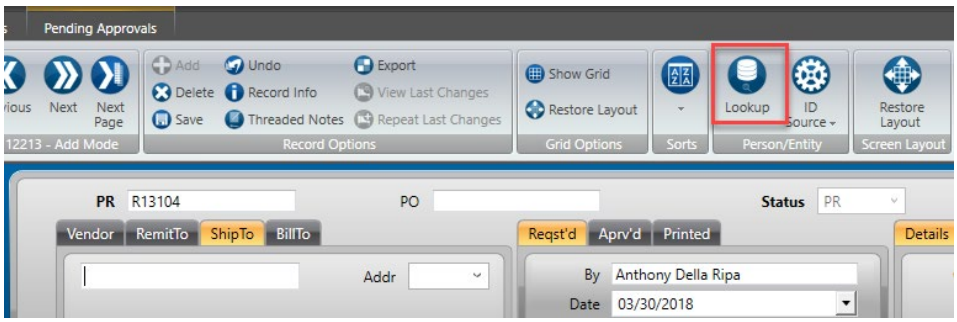


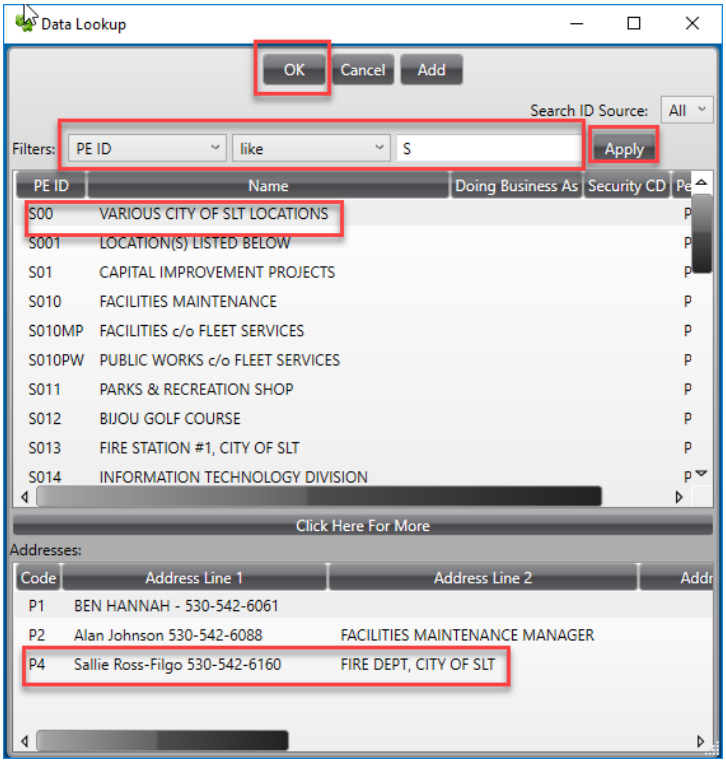


9. Click on the Ship to Tab. If you know the ship to ID then type it in the box or you can search for it. To search click on the Lookup button. All city building starts with a S. Filter by PE ID and type

in an “S” and click on “Apply”. Look for the city building that it needs to be shipped to and select the correct person at that address.

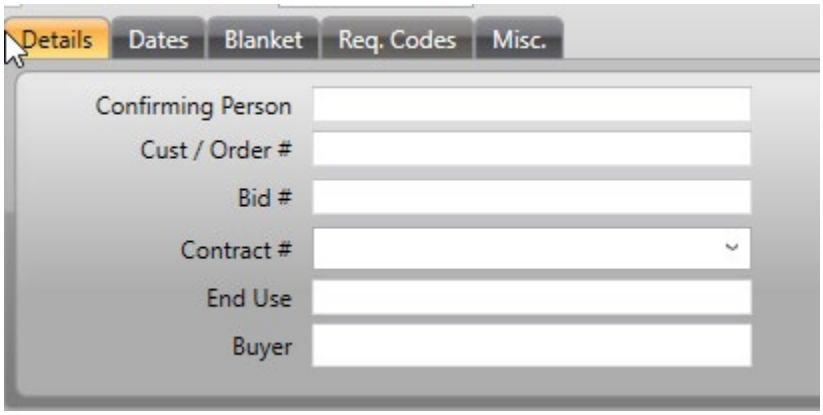




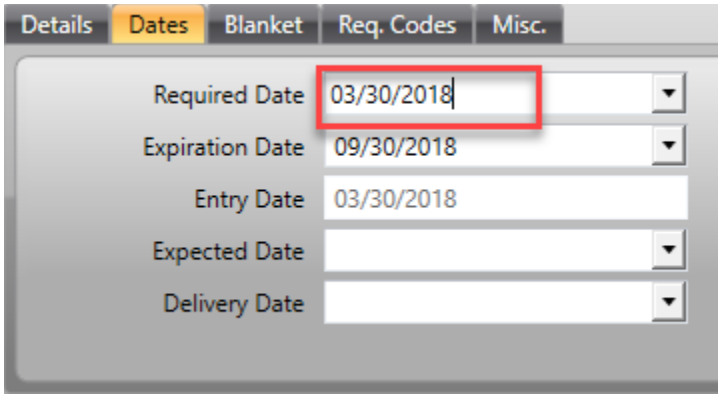


10. Under the “Details” tab type in the following
    a. Confirming Person – The person requesting this item/service

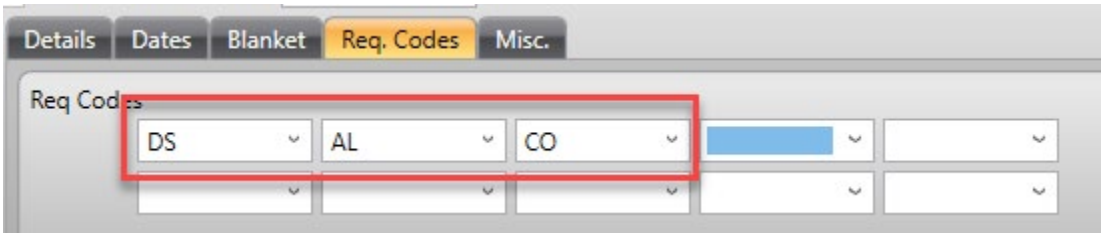
b. Cust / Order # - Quote or order number if available
c. Bid # - If available
d. Contract # - If available
e. End Use – The department or division requesting this PR
f. Buyer – Leave Blank



11. Go to the "Details" tab and type in the current date



12. Skip "Blanket" Tab
13. Click on "Req. Codes" Tab. Make sure the following codes are selected.



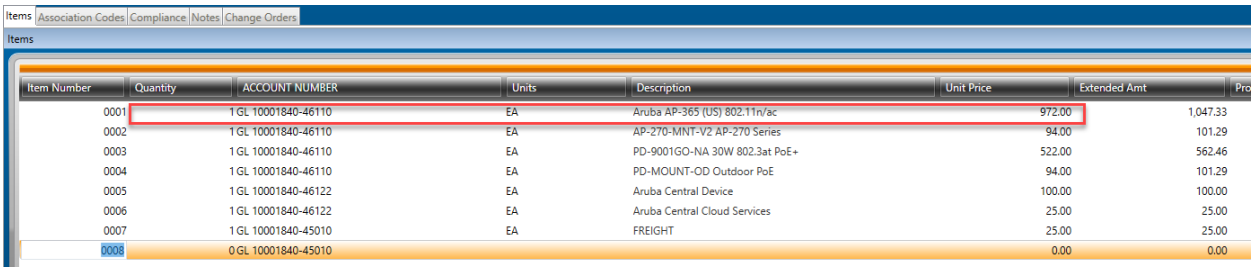
14. Skip "Misc." Tab

15. Click on the "Notes" Tab. In the dropdown there are three choices
    a. PR Notes – This is for internal notes only
    b. Print Before – This will place the note directly on the PO above the first line item.

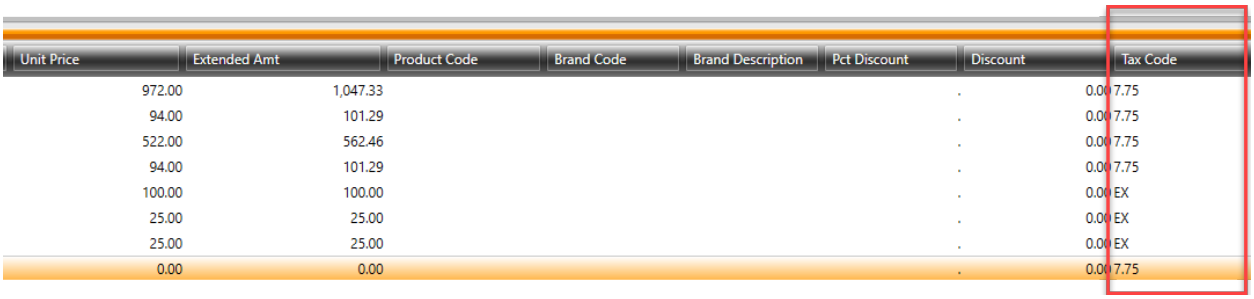
i. Quote number
ii. Delivery instructions
iii. Etc…

c. Print After – This will place the note directly after the last line item.
   i. Quote number
   ii. Delivery instructions
   iii. Etc…

16. In the "Items" tab. Enter in the Quantity, Account Number, Units, Description, Unit Price. If Tax is NOT required, then scroll to the right and select EX under the "Tax Code" column. After entering the data in each filed press the "Enter" to save the item and two add a second item.

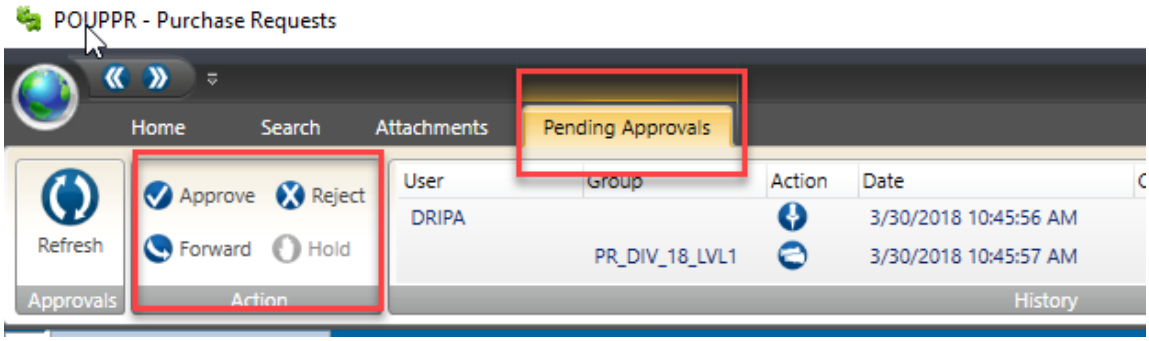


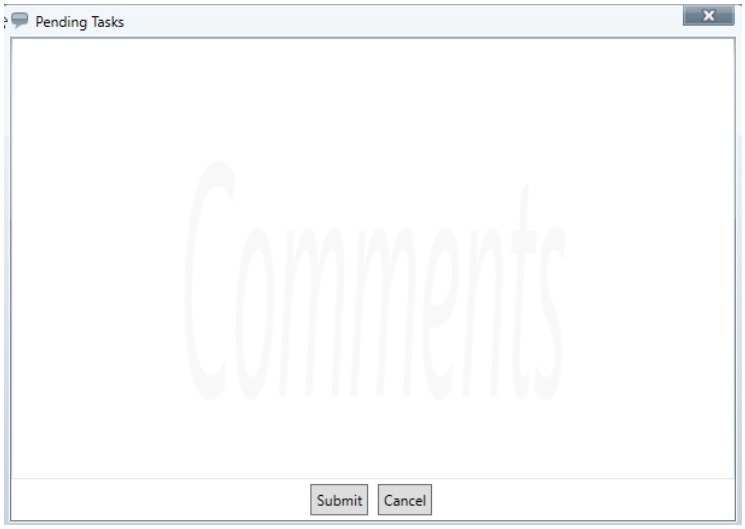
Item Number	Quantity	ACCOUNT NUMBER	Units	Description	Unit Price	Extended Amt	Pro
0001	1	GL 10001840-46110	EA	Aruba AP-365 (US) 802.11n/ac	972.00	1,047.33	
0002	1	GL 10001840-46110	EA	AP-270-MNT-V2 AP-270 Series	94.00	101.29	
0003	1	GL 10001840-46110	EA	PD-9001GO-NA 30W 802.3at PoE+	522.00	562.46	
0004	1	GL 10001840-46110	EA	PD-MOUNT-OD Outdoor PoE	94.00	101.29	
0005	1	GL 10001840-46122	EA	Aruba Central Device	100.00	100.00	
0006	1	GL 10001840-46122	EA	Aruba Central Cloud Services	25.00	25.00	
0007	1	GL 10001840-45010	EA	FREIGHT	25.00	25.00	
0008	0	GL 10001840-45010			0.00	0.00	



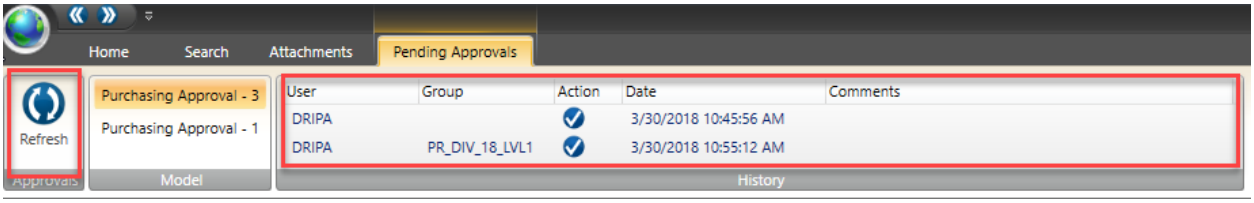
Unit Price	Extended Amt	Product Code	Brand Code	Brand Description	Pct Discount	Discount	Tax Code
972.00	1,047.33				.	0.00	7.75
94.00	101.29				.	0.00	7.75
522.00	562.46				.	0.00	7.75
94.00	101.29				.	0.00	7.75
100.00	100.00				.	0.00	EX
25.00	25.00				.	0.00	EX
25.00	25.00				.	0.00	EX
0.00	0.00				.	0.00	7.75

17. Once you are finished adding items. You will have to approve the PR out of your queue. At the top you should have "Pending Approvals" tab; If you don't, please see below to activate it. Click on that tab and select one of the four choices. When you select one a second window will popup so you can type additional notes for yourself or for the next approver in the queue.



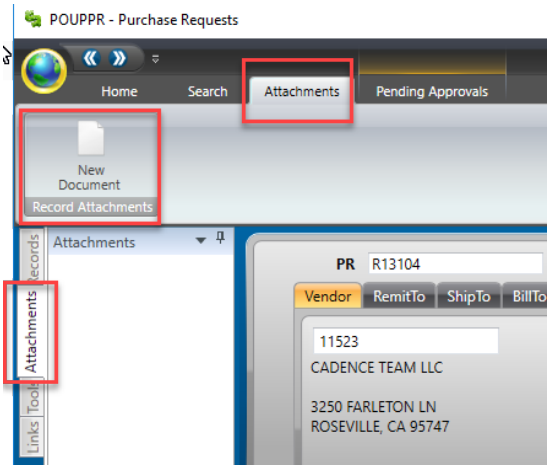


18. If there are multiple approvers you can click on refresh to see who next in line to approve the PR.

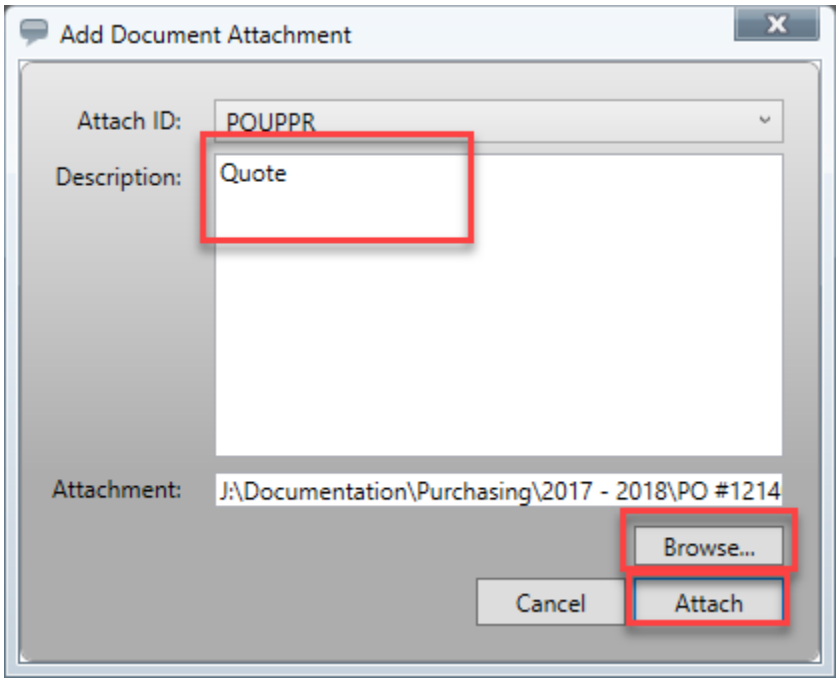


Adding Attachments to the PR

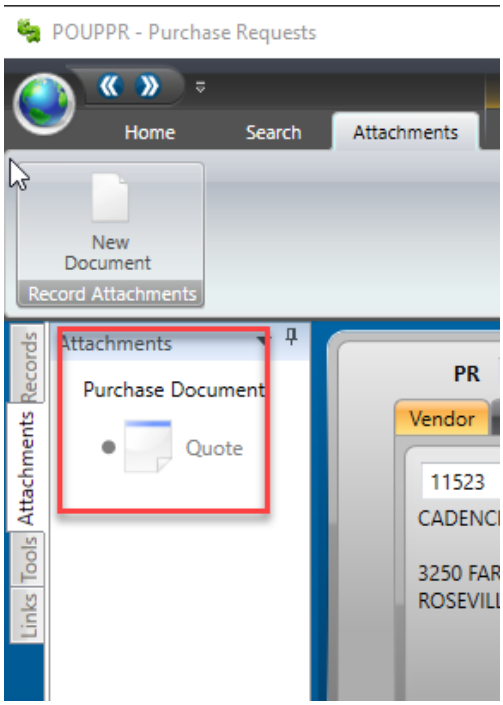
1. Click on the "Attachments" tab on the top will allow you add new documents. The "Attachment" tab on the left will show you the current documents attached to the PR.



2. Click on "New Document". A second window will popup. You will need to add a description and then browse to the location where your attachment is saved. Then click on "Attach."

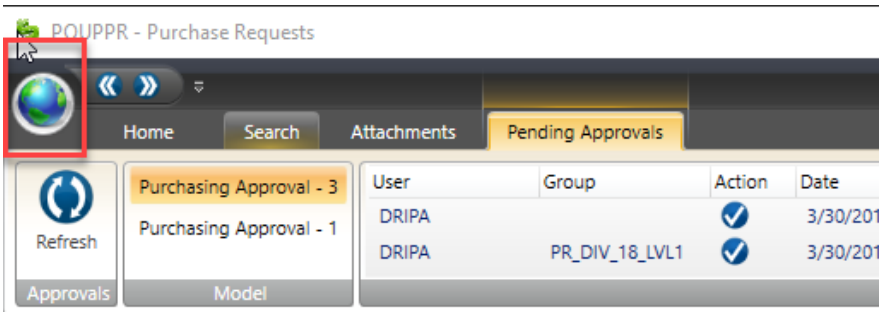


3. You will see the document listed on the left side. If the wrong document was attached; just hover you mouse of the attached document and send IT the document ID and request that document to be removed.

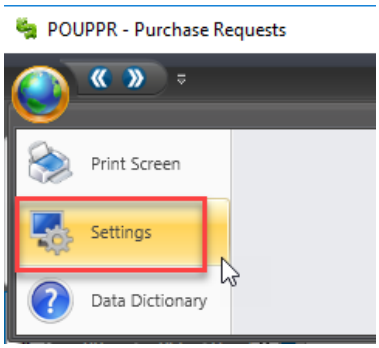


Activating the "Pending Approval" tab and "Attachments" Tab

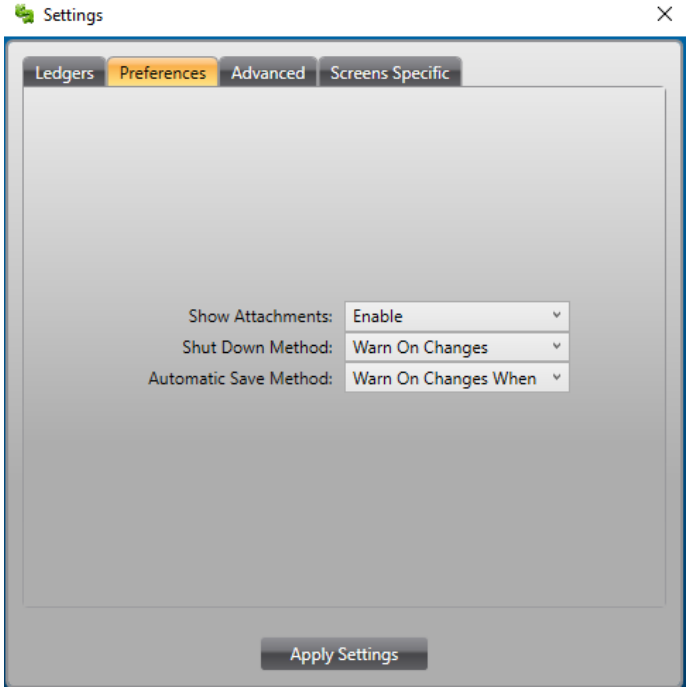
1. Click on the Globe



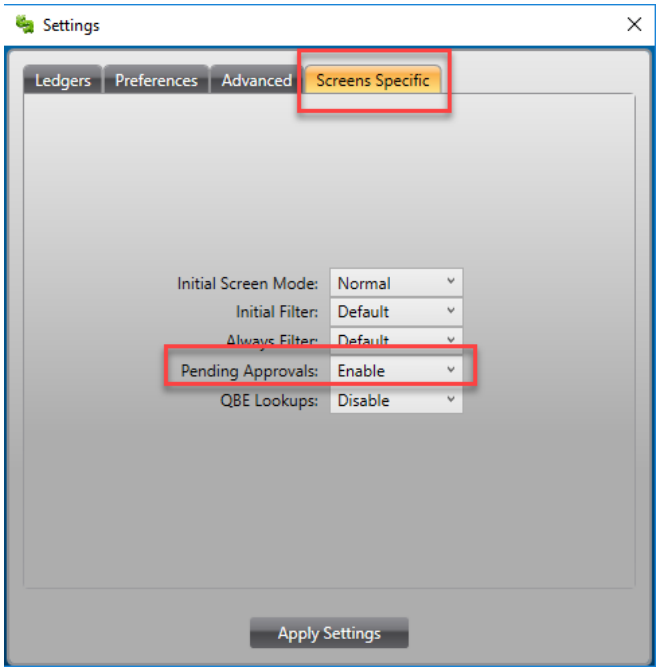
2. Click on “Settings”



3. Click on “Preferences” tab and select “Enable for “Show Attachments”. Then click on “Apply Settings”



4. Click on “Screens Specific” tab and select “Enable” for “Pending Approvals”



Purchase Order Rules

1. All quotes, sole source form, state contracts, etc…. and the approved PO must be attached to the PR.

Commented [LM1]: New logo

FINANCIAL MANAGEMENT
GRANT FUNDING AND COMPLIANCE POLICY

The purpose of this document is to establish uniform guidelines for oversight of the City of South Lake Tahoe in the pursuit of grant related revenue. Adherence to the following policies and procedures promote increased efficiencies, transparency, accountability to ethical standards, and a strategic approach to funding opportunities, which enable the City to be competitive in securing grant funding. All City personnel utilizing or seeking Grant funding for City business purposes are responsible for knowing and following this policy.

Table of Contents

This Policy is organized into the following six sections:

1. **General Standards 2-3**

2. **Grant Application 3**
   - 2.1 Grant Planning and Opportunities 3
   - 2.2 Determining Eligibility 3-4
   - 2.3 City Council Approval to Apply 4
   - 2.4 Submitting Grant Application 4-5

3. **Grant Acceptance 5**
   - 3.1 Approval Process 5
   - 3.2 City Council Approval to Accept Award 5
   - 3.3 Execution of Award 5-6

4. **Grant Management and Compliance 6**
   - 4.1 Roles and Responsibilities 6-7
   - 4.2 Grant Procurement 8
   - 4.3 Compliance Standards 9

5. **Grant Accounting 9**
   - 5.1 Monitoring the Budget 10
   - 5.2 Cash Management 11
   - 5.3 Reimbursement Requests 11
   - 5.4 Staff Time/ Administration 11-12
   - 5.5 Internal Controls/Equipment/Capital Expenditures 12-13

6. **Post Award 14**
   - 6.1 Close-out 14
   - 6.2 Audit 14-15

1. GENERAL STANDARDS

Grant funding allows the City to supplement local public funds to increase the efficiency and impact of programs, projects, and services provided to the community; therefore, the effect of grant funding and the process that governs it is significant.

Grants are not "free money". A grant is a **financial award** provided by a federal, state, local government, or other organization to fund specific, beneficial, goals, objectives, and/or legislative initiatives through legal, contractual, and binding grant agreements. Because government grants are funded by tax dollars, they include stringent compliance and reporting measures to ensure the money is well-spent. Careful consideration and analysis should be given prior to applying or accepting these funds.

This policy describes the City's grant management and administration procedures and intends to do the following:

- Promote the use of best practices
- Promote sound financial management
- Promote efficiency and effectiveness in grant funded projects and programs
- Ensures the grant related activity is consistent with City's strategic priorities
- Ensures the integrity of the City's good standing among granting agencies
- Ensures accountability for financial and programmatic elements of grant administration and management

Adoption and Implementation: The City Council is responsible for adopting the City's Grant Funding and Compliance Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to Grant applications, contracts, expenditures, revenues, and grant compliances are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

Conflicts of Interest: An officer or employee of the City acting or appearing to act on behalf of someone other than the City; or in carrying out duties has or appears to have a self-interest from which a personal profit or gain is realized or that is actually or potentially adverse to the best interests of the City.

Conflicts of interest and the *appearance* of a conflict of interest can damage the reputation, credibility, and trust of the City. These situations may involve ethical, legal, or other issues and City officials and employees should be diligent in the identification of potential conflicts when working in any capacity with proposed or funded grant activity involving the City.

No officer or employee of the City shall have any interest, financial or otherwise, direct or indirect, or have any arrangement that may reasonably be expected to bias the design, conduct, or reporting of a city grant funded project.

It shall be the responsibility of the Grants Project Manager for each ~~particular~~ grant funded project to ensure in the use of project funds, officials or employees of the City and nongovernmental recipients or sub-recipients shall avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain
- Giving preferential treatment to any person or organization
- Losing complete independence or impartiality
- Making an official decision outside official channels
- Adversely affecting public confidence in the City and the grant funded program
- Or any other Conflict of Interest outlined per the specific grant agency

Employees and City Officials are responsible for exercising good judgment in applying, approving, requesting, managing and administering grant funds. Accordingly, the basic standard should prevail to provide prudent stewardship of public funds, the City's resources, and granting agency compliance.

2. GRANT APPLICATION

2.1 GRANT PLANNING AND OPPORTUNITIES

Each respective department within the City may research and identify grant opportunities to facilitate City Council's strategic goals, objectives, and initiatives as well as department work plans, to provide supplemental or alternative funding sources to public projects, capital expenditures, or operating programs and expenses.

Once grant opportunities are identified, employees are responsible for obtaining approval from their Department Head to pursue review of such funding. Gathering information beforehand will help ensure success in meeting a tight deadline. Coordination with the Principal Management Analyst, serving as Grants Manager is encouraged to facilitate the process. ~~Following are~~ N~~n~~ecessary components in pursuit of a competitive grant application are:

1. A list of approved projects/programs meeting the needs of the Department as well as City Council priorities (ex. CIP, Master Plans, EIP, Community Plans etc.).
2. Project/program descriptions, goals and objectives.
3. Project timelines, estimated costs, project budgets.
4. Matching fund contribution and fiscal impacts.

2.2 DETERMING ELIGIBILITY

To determine eligibility for grant funding;

1. Review grant guidelines, specifications, and requirements.

2. Coordinate with key personnel for staff and departmental impacts as well as Finance to access fiscal impact.
3. Applications should be evaluated for administrative burden, compliance cost, city match requirements, long term costs, and operation and maintenance costs.
4. In the event the cost to the City exceeds the amount received from the grant, the Department should seek approval from Finance as well as the City Manager to pursue the grant further
5. Department Head shall assign a Project Manager to manage the grant project, program, and department grant compliances.
6. If an outside consultant is hired to assist with grant writing or project management; the Director will assign a staff member responsible for overseeing the consultant contract and ensuring grant compliance.

2.3 CITY COUNCIL APPROVAL TO APPLY

City Council approval to **submit an application** is required for **ALL** Grant Applications. A detailed staff report and a resolution (if required) should be brought forth to City Council for Council approval/adoption. The staff report should include the following information:

1. Project and grant details
2. Budget summary
3. Administration requirements and funding source
4. Match requirements
5. Compliance requirements
6. Grantee responsibilities
7. Maintenance and operations requirements
8. Long-term costs including staffing needs after the expiration of the grant

Background: should summarize and detail the need for the project or program and which priorities will be met. Provide grant agency information.

Issue and Discussion: should summarize the proposed project or program, including all departmental impacts, goals and objectives and benefits or impacts to the City.

Financial Implications: should detail all fiscal impacts, long-term costs, matching contributions, operation and maintenance costs, budget availability or budget constraints.

In the event the application deadline does not allow the necessary lead time for City Council approval; and prior Council approval is not a requirement of the application; the Department Director should ensure the **approval of the City Manager *prior*** to submitting the ~~application, and~~application and will bring the item before council to the next appropriate meeting for ratification.

Formatted: Font: Bold

2.4 SUBMITTING GRANT APPLICATION

Following City Council approval, a completed grant proposal may be submitted by the department overseeing the project or program. The Project Manager and/or Grants Manager will follow the

grant guidelines, and requirements to review and submit a complete and competitive grant proposal.

Budget Summary: When determining the budget for the grant application all of the project expenses must be included in the application. This includes:

1. Total cost of the project
2. Project management and oversight, staff time, administration
3. Expenses that arise as a result of your project
4. City share of costs where applicable
5. Operation and maintenance, long-term or ongoing costs

3. GRANT ACCEPTANCE

3.1 APPROVAL PROCESS

Upon Grant approval the Department will receive a grant award letter from the funding agency detailing the measures necessary to accept the award. The city should also receive a finalized grant award contract which will become a binding agreement. The grant contract and **all compliance measures** should be reviewed by the Grants Manager, Project Manager, and the Department Director. Grant Manager reviews the grant contract to ensure ability to maintain compliance, and the Director will ensure the department's capability to comply with the contract and will make the appropriate recommendation to City Manager and City Council.

3.2 CITY COUNCIL APPROVAL TO ACCEPT AWARD

The final step in the approval process is taking the awarded grant contract and funding acceptance, ~~to City~~to City **Council for approval and budget appropriation**. Staff report should include:

1. Details of the grant contract, project/program and all compliance required.
2. ~~Must specify~~ A~~a~~cceptance of the grant award, as well as the details necessary to appropriate~~load~~ the grant funding into the City's Budget. **The proposed budget must match the approved budget in the grant award.**
3. Anticipated revenues, along with balanced associated expenditures with account numbers must be outlined in detail in the staff report and resolution. (Expenditures cannot exceed revenues).
4. All pertinent documentation ~~should be~~ attached, including the grant award contract.

~~4.~~

~~5.~~ Provide a copy of the signed Council Resolution, and the executed Grant Contract -to the Grant Manager to ensure ~~the~~ funds are appropriated into the budget, and ~~begin~~ tracking procedures can begin.

3.3 EXECUTION OF AWARD

Formatted: Font: Bold

Formatted: Font: Not Bold, Not Italic

Formatted: Font: Bold

Formatted: No bullets or numbering

The Grant Contract is fully executed and the funds can be spent when the following steps are complete:

1. Granting Agency signs the grant contract and specifies the dates of the "term of the agreement"
2. **Grant Contract has been approved through City Council**
3. City's Authorized Signatory signs the grant contract
4. Grant revenues and expenses have been loaded into the appropriate account within the City's Budget

Formatted: Font: Bold

Grant funding cannot be spent prior to approvals and a grant award notification is received from the Granting Agency. The Granting Agency typically sends the Department the original, signed, and fully executed, Grant Agreement. The Department will forward the original copy to the City Clerk as well as a copy to the Grant Manager. A copy needs to be kept within the department in a centralized file for future reference.

Authorized Signatory Responsibility: All Grant applications require an Authorized Signatory on behalf of the City. The Authorized Signatory is usually the Mayor, City Manager, or the Department Director. The signature legally binds the City to all terms and conditions within the grant agreement regardless of whether; the city is the main beneficiary of the funding; the city has applied on behalf of another agency for pass through funding; or the city has hired an outside agency to oversee and manage the project.

4. GRANT MANAGEMENT AND COMPLIANCE

4.1 ROLES AND RESPONSIBILITY

The following shall describe responsible parties for activities surrounding the submittal, implementation, maintenance, reporting and other related duties for grant funded projects by or on behalf of the City of South Lake Tahoe. The full development of a project or program requires the assistance and support from all affected departments.

Financial Services Department

The ***Principal Management Analyst*** in Finance will serve as the ***Grants Manager*** and is the primary person responsible for providing city-wide coordination and monitoring of grants. This individual is responsible for ensuring the City's grants management and compliance program is current and effectively fulfills the compliance requirements of the City's policies and external granting agencies and is available for assistance and guidance for a successful proposal.

The Grants Manager is responsible for:

1. Researching grant opportunities and notifying departments of such opportunities.
2. Acting as a liaison between departments and funding agency personnel.
3. Assisting staff, adhering to grant guidelines, policies, and deadlines.

4. Assisting departments with City Council agenda items regarding applying for grants, accepting awards, and appropriating the grant budgets and/or reviewing agenda items related to grants prior to submission.
5. Receiving a copy of the grant award and maintaining a grant file; tracking grant activity at all stages of the grant cycle. Maintain master files of "open" and "closed" grants in accordance with retention requirements.
6. Developing and conducting grants administration training and assistance to staff pertaining to grant management and compliance.
7. Ensuring the departments track and report programmatic and financial grant activity in a timely manner in accordance with grant agreement, providing the proper account codes as budgeted.
8. Coordinating with Department Head, Project Manager and Finance personnel to gather all information required to meet grant funding ~~requirements;~~requirements, including contracts, professional ~~agreements~~agreements, and proper invoicing from vendors.
9. Preparing and submitting grant reimbursement requests, financial reports, and final financial reconciliation and closing reports.
10. Monitoring and tracking cash flow and accounts receivable.
11. Preparing Schedule of Expenditures of Federal Award for the Single-Audit requirement.
12. Acts as a liaison between auditors, granting agency, and department personnel.

City Departments

The ***Department Director*** is responsible for programmatic and fiscal responsibilities for the designated department. This individual ensures adequate staff and infrastructure are provided for the appropriate performance of grant award management and provides oversight of staff identified as key personnel on grant awards.

Department Director is responsible for:
1. Ensuring adequate management of programmatic and fiscal aspects of the grant awards.
2. Assigning staff to adequately manage the grant awards.
3. Managing general departmental-level support activities related to grants management.
4. Approving submittals and proposed programmatic and fiscal changes to the grant.
5. Reviewing budget amendment requests if they affect commitments by the department.
6. Ensuring cost sharing dollars are available and the budget is adequate relative to the project scope and its justification is appropriate.

The Department ***Project Manager*** is the primary person responsible for the programmatic activities on a project/grant. Although some tasks may be delegated, the Project Manager is the chief accountable person and bears responsibility for the overall administrative and fiscal conduct of the grant project, ~~award~~ for meeting the terms and conditions of the grant award, and for representing the project to the granting agency.

The Project Manager is responsible for:
1. Preparing the grant proposal, with an emphasis on the technical details, scope of work and budgetary components; coordinate with Grants Manager for fiscal impact and assistance.
2. Forwarding all grant agreements and documentation to the Grants Manager for review prior to execution by the proper City officials; prepare City Council agenda items, staff reports,

resolution, ~~(if required),~~ and requesting ~~that~~ budget be established and approved prior to incurring expenditures. ~~being made~~

3. Modify and monitor the project budget, scope of work, and ensuring the appropriate charging of expenditures to the project in compliance with grant award.
4. Appropriately managing the programmatic aspects of the project, monitoring expenditures to ensure grant funds are spent in accordance with the approved budget.
5. Approving all grant expenditures and payment request, utilizing appropriate account numbers and ensuring budget. Submit to Department Director for approval.
6. Working with the Grants Manager to ensure the completeness, accuracy, and timeliness of programmatic and financial reports submitted to the granting agency.
7. Prepares project reporting, progress reports, final reports, monitoring reports.
8. Ensures Finance Department receives copies of pertinent information, documentation, reports or correspondence with the granting agency.
9. Ensuring contractors, subcontractors, consultants have complied with the appropriate work in a timely manner and in accordance with technical, financial, and other requirements of the award, as well as reviewing their invoices for accuracy and grant compliance.
10. Adhering to the terms of the grant agreement and policies and notifying the Grants Manager if changes are needed.
11. Follows State, Federal and City procurement and contract policies in the utilization of grant funding.
12. Complying with Single Audit Act requirements; providing documentation for audit requests; and adhering to audit recommendations.

4.2 GRANT PROCUREMENT

The purchase of goods, materials, supplies, equipment, services, and non-public contracts must follow the City Procurement Policies and Procedures as well as the City's Purchasing Ordinance (SLTCC § 3.45) adopted by City Council. Public Contracts and Public Projects must adhere to Public Contracts and the Uniform Public Construction Cost Accounting Act as adopted by City Council (SLTCC § 3.45 Article II).

Federal Awards, Cooperative Agreements, or State Awards utilizing Federal Funds must also follow the General Procurement Standards in the Code of Federal Regulations (CFR); Title 2: Grants and Agreements section §200.318 through §200.326. These guidelines can be found at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl; or contact Grants Manager for additional information (ext. 7410).

Grant Awards and Cooperative Agreements utilizing funds through Caltrans must follow the Local Assistance Procedures Manual (LAPM, particularly Chapters 5 and 16. These guidelines can be found at https://dot.ca.gov/programs/local-assistance/guidelines-and-procedures/local-assistance-procedures-manual-lapm or contact Grants Manager for additional information.

Suspension and Debarment: ALL **Federal Awards** used to procure vendors, consultants, and/or contractors, providing services to the city in excess of **$25,000.00** must maintain evidence of vendor **"Suspension and Debarment"** verification through the "Systems for Awards Management (SAM). Print or save a copy of verification and submit it to Finance or contact Grant

Manager to obtain a copy. This requirement must also be included in your Contract, Professional Services Agreement, or PO. (Refer to Purchasing Policy for boiler plate "Suspension and Debarment" language).

4.3 COMPLIANCE STANDARDS

The City "shall at all time exercise responsibility over the implementation of the project" and is held liable for all provisions set forth in the agreement, as quoted from a current grant contract. Therefore, it is imperative that all departments involved, as well as the Authorized Signatory, fully understand the conditions of the grant agreement and follow the compliance measures put into place. This will further ensure the integrity of the City's commitment to the Grantor, help maintain audit compliance, and avoid grant fraud speculation.

Non- compliance; non-compliance findings can result in loss of final retention reimbursement, terminating the grant agreement, repayment of funds, suspension or debarment from receiving future grants, and/or implementation of grant special conditions.

Evidence that an organization has grossly ***misused funds*** or committed ***fraudulent activity***, can result in civil actions against the City and/or City Officials and Personnel to include:

1. Recovery of funds up to triple damages
2. Criminal remedies including arrest
3. Prison sentences
4. Seizure of assets
5. Monetary fines.

Falsification of Documentation- Submitting fraudulent receipts, falsifying an application, or report will result in disciplinary action and may lead to termination of employment and/or criminal action.

The City of South Lake Tahoe reserves the right to deny request of reimbursement for expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances must be approved by the City Manager and the granting agency, if those expenses do not violate Federal or State requirements.

5. GRANT ACCOUNTING

After award acceptance, the Grant Manager will maintain documentation and begin proper tracking and monitoring of the new grant. The Project Manager will monitor and manage the consultant and/or contractor contracts, and track the project budget.

1. Before initiating a contract, purchase order, agreement with a service provider, professional services agreement, or other expense; review the Grant Agreement for **terms and conditions.**

2. Compliance must be maintained with City policy, the Grant Award, and State and/or Federal Policies. Follow the most stringent procedures to ensure all compliances are being met.
3. Before entering into agreements with vendors or contractors, verify that the provider or business has a **valid City Business License.**
4. Staff and/or contractors, consultants or service providers utilizing grant funding must disclose all relevant **conflict of interest** or criminal violations in writing to the appropriate granting agency and follow the guidelines as outlined in the City Council adopted resolution #2016-69.
5. Grant expenditures must be expensed as detailed in the grant application, grant contract and as approved in the City Annual Budget.
6. Consultant/contractor/vendor invoices must be thoroughly reviewed by Project manager for compliance with City and Grant Procurement, Federal compliances and Public Contract Code prior to authorization for payment.
7. If conditions of the Grant Contract are not met; the **Grantor is under no obligation to disburse funds or reimbursement.**
8. ALL **Federal Awards**, Cooperative Agreements, or State Awards utilizing Federal Funds must follow the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Chapter 1, Chapter 2, Part 200). These guidelines can be found at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

5.1 MONITORING THE BUDGET

Funds must be spent in the manner approved by the Granting Agency and City Council. The **Project Manager** is responsible for:

1. Monitoring the project budget and city staff time budget.
2. Monitoring sub-contractors, sub-recipients, service providers.
3. Monitoring budgets for contractors, consultants, and professional service agreements.
4. Reviewing invoices for payment; specifying appropriate account numbers.
5. Timely submittal of invoices for payment ensuring adequate cash management.

The **Grants Manager** is responsible for:

1. Monitoring expenses after payment to ensure compliance between the grant budget and the City's budget.
2. Preparing and submitting grant payment requests, managing receivables, and cash flow.
3. Preparing and/or reviewing Staff time, administration, and activity delivery.
4. Tracking expenses and revenues in accordance with Grant Contract..
5. Providing direct communication with granting agencies and city departments.

Adjustment between budgeted line items to the approved grant budget; must be approved by the Granting Agency in the manner stated in the Grant Agreement. Concurrently, the Department Director should request a budget adjustment via e-mail to the Finance Department.

Adding additional budget to an approved grant or reducing budget or scope via a Grant Amendment must follow procedures and **request council approval accepting the additional funding** and loading the budget or reducing the budget and accept reducing the scope of the project.

Formatted: Font: Bold

5.2 CASH MANAGMENT

To minimize time lapsing between outlay of city funds and receipt of grant funds, timely review, approval, and submittal of vendor invoices and grant reimbursement requests is imperative.

1. Invoices and receipts must be ~~paid~~paid, with~~and~~ a check cut to the vendor prior to requesting reimbursement; therefore timely submittal of invoices is required.
2. All work performed and items purchased within a fiscal year; must be **paid within the fiscal year the work was performed** (This is an audit requirement)
3. Provide a brief explanation/justification on the delay of pay requests for invoices submitted for **payment 45 days or more beyond the date of the invoice**; this will help provide information to auditor, or Grantor
4. When submitting invoices (over $250,000) for payment, notify Accounts Payable and Grants Manager to manage bank balance cash flow and expedite grant reimbursement

Formatted: Font: Bold

5.3 REIMBURSEMENT REQUESTS

Most grant reimbursements are~~must be~~ submitted in arrears. The city must first expend the funds; pay the invoice and request reimbursement after payment has been finalized. Grant reimbursements will be requested in the manner set forth in the grant agreement and as frequent as permitted when expenditures dictate.

- Grants Manager will be responsible for preparing the reimbursement request, or reviewing the request before submitting to the Granting Agency.
- Invoices must be paid in a timely manner and distributed in the General Ledger prior to reimbursement requests.
- Once the billing is complete, it will submitted to the Authorized Signatory for review and approval.
- This review enables an examination of expenditures, proper account numbers, staff time accuracy, and project deliverables.
- After the billing is signed, the Grants Manager will submit as required in the Grant Agreement.
- The revenue is entered into accounts receivable and tracked by the Grants Manager to ensure receipt.

5.4 STAFF TIME/ ADMINISTRATION

Follow grant guidelines in determining eligibility of charging staff time to the grant or using staff time as the City's match or cost share. Employee rates provided should be directly from employee

payroll at current actual hourly rates and remain in effect until such changes are submitted through a "change of status" to Human Resources, or a change to the employee "MOU" within the city.

- Grant timesheets (provided by Finance, Grant Manager) must be used when charging staff time to a grant.
- The Grant timesheet must represent the actual hours worked in a pay period and account for the grant hours within that pay period.
- Department Head and employee must approve the grant timesheets at the end of the pay period and submit the timesheets to the Grant Manager.
- Grant Manager will calculate the staff time directly from the pay period payroll documentation.
- Compensation for personnel services on federal grants must be based on payroll documented through standard City policy and procedures. The consequences of noncompliance with employee time and effort certification may be the disallowance of such charges to the grant.
- Federal grants require accounting for 100% of one's time even if all of one's time is not allocated to the grant project (2 CFR 200.430).
- Wages of employees used in meeting cost sharing or matching requirements of federal awards must be supported in the same manner as those claimed as allowable costs under federal awards.

5.5 INTERNAL CONTROLS

Expenditures

When an invoice is received for a grant funded project, the workflow for payment shall be as follows:

1. Reviewed by Project Manager and back-up documentation verified
2. Approved by Department Head or Authorized Signatory per Procurement Policy
3. Submitted to Accounts Payable for entry and procurement documentation verified
4. Vendor checks are printed by Revenue Accountant, posting payment to the General Ledger ~~(GL)~~
5. GL detail is reviewed by Grants Manager for grant reimbursement preparation
6. Grant Manager prepares reimbursement request according to grant budget and agreement terms, as well as information provided from Project Manager below~~.~~

To assure the invoice gets paid from the proper grant and project; the Project Manager shall:

1. Determine available budget within vendor contract as well as city financial system
2. Specify the grant name, agency, and grant number on the pay request or invoice
3. Specify whether the invoice is 100% reimbursable or what portion is reimbursable through which revenue sources assigned to project
4. Specify the amount and revenue source when splitting an invoice between multiple grants or revenue sources

5. Be specific when paying an invoice between multiple account numbers
6. Make a notation of the account number, name and grant number on the receipt of an expense being paid with a City Cal Card or petty cash

Equipment and other Capital Expenditures

Equipment (Capital Expenditures) purchased with Federal funds must follow Code of Federal Regulations CFR §200.313 and §200.439. These guidelines can be found at the link below: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Capital expenditures for special purpose equipment are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.
3. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, meet the following requirements:

    - Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
    - A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.
    - Control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
    - Adequate maintenance procedures must be developed to keep the property in good condition.
    - If the City is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return. See *CFR §200.313 (e) Disposition*, for guidelines.

Revenues

When a Reimbursement Request is submitted it is:

1. Prepared by Grants Manager after verifying account numbers, budgets, proper grant documentation, matching documentation and back up

2. Approved and signed by Authorized Signatory per grant Agreement
3. Submitted and entered into Accounts receivable by Grants Manager
4. Funds are received and deposited by Revenue Supervisor
5. Deposit is reviewed and reconciled into the GL System by Revenue Accountant

6. POST AWARD

6.1 CLOSEOUT

After completion of all required performance period activities, the Administering Department and Finance shall perform grant closeout tasks in accordance with Federal CFR §200.343, or corresponding State regulations, and/or contractual requirements.

1. The Project Manager is responsible for final performance reports and programmatic reporting required by the terms and conditions of the award and shall provide copies to the Grants Manager in Finance
2. The Grants Manager is responsible for final financial reports and final reimbursement as required by the terms and conditions of the award
3. The Project Manager and Grant Manager are responsible for collecting and maintaining all appropriate back up documentation for performance, financial, and final reports
4. The Administering Department and Finance shall ensure that all financial activities are recorded, that revenues balance to expenditures, and that revenues and expenditures balance to budget figures
5. The Administering Department and Finance are responsible for ensuring their **records retention** follows the compliance in the grant award or at a minimum is held 5 years after final close date of award.

6.2 AUDIT

All Granting Agencies reserve the right to call for a program audit or a financial audit at any time between execution of the agreement and the completion or termination of the project.

All non-Federal entities that expend $750,000 or more of Federal awards in a year are required to obtain an annual audit in accordance with the Single Audit Act Amendments of 1996, OMB Circular A-133, the OMB Circular Compliance Supplement and Government Auditing Standards. A single audit is intended to provide a cost-effective audit for non-Federal entities in that one audit is conducted in lieu of multiple audits of individual programs. The City exceeds the $750,000 threshold and is subject to this required Audit annually.

Federal Single Audit Act and annual reporting requirements are contained in 2 CFR Part 200 Subpart F (200.5 Compliance and Audit Requirements.) It is important that all grant activity and any changes to the grant are well documented to facilitate any audit. Audit findings made during the audit are provided to the grantor, which could prompt an audit by the grantor.

The following activities are the fourteen types of compliance requirements considered in every audit conducted under 2 CFR Part 200 Subpart F, and many are described throughout this policy:

1. Activities: Allowed or Unallowable
2. Allowable Costs/Cost Principles
3. Cash Management
4. Compliance with Terms & Conditions (e.g. Davis-Bacon Act)
5. Eligibility
6. Equipment and Real Property Management
7. Matching, Level of Effort, Earmarking
8. Period of Availability of Federal Funds
9. Procurement, Suspension and Debarment
10. Program Income
11. Real Property Acquisition and Relocation Assistance
12. Reporting
13. Subrecipient Monitoring
14. Special Tests and Provisions

The Administering Department and Finance are responsible for ensuring their records are maintained in accordance with applicable City policy, State law, and Federal regulations and maintain compliance with Federal Code 2 CFR Part 200.

- Project Manager is responsible to provide all programmatic and procurement documentation requested by a Granting Agency or Auditor

- Grant Manager is responsible to provide all fiscal documentation requested by a Granting Agency or Auditor

Complete and proper documentation is instrumental to a smooth and successful audit; which reflects positively on the City, and in turn increases the chance for future successful grant applications.

FINANCIAL MANAGEMENT
GRANT FUNDING AND COMPLIANCE POLICY

The purpose of this document is to establish uniform guidelines for oversight of the City of South Lake Tahoe in the pursuit of grant related revenue. Adherence to the following policies and procedures promote increased efficiencies, transparency, accountability to ethical standards, and a strategic approach to funding opportunities, which enable the City to be competitive in securing grant funding. All City personnel utilizing or seeking Grant funding for City business purposes are responsible for knowing and following this policy.

Table of Contents

This Policy is organized into the following six sections:

1. General Standards 2-3

2. Grant Application 3
- 2.1 Grant Planning and Opportunities 3
- 2.2 Determining Eligibility 3-4
- 2.3 City Council Approval to Apply 4
- 2.4 Submitting Grant Application 4-5

3. Grant Acceptance 5
- 3.1 Approval Process 5
- 3.2 City Council Approval to Accept Award 5
- 3.3 Execution of Award 5-6

4. Grant Management and Compliance 6
- 4.1 Roles and Responsibilities 6-7
- 4.2 Grant Procurement 8
- 4.3 Compliance Standards 9

5. Grant Accounting 9
- 5.1 Monitoring the Budget 10
- 5.2 Cash Management 11
- 5.3 Reimbursement Requests 11
- 5.4 Staff Time/ Administration 11-12
- 5.5 Internal Controls/Equipment/Capital Expenditures 12-13

6. Post Award 14
- 6.1 Close-out 14
- 6.2 Audit 14-15

1. GENERAL STANDARDS

Grant funding allows the City to supplement local public funds to increase the efficiency and impact of programs, projects, and services provided to the community; therefore, the effect of grant funding and the process that governs it is significant.

Grants are not "free money". A grant is a **financial award** provided by a federal, state, local government, or other organization to fund specific, beneficial, goals, objectives, and/or legislative initiatives through legal, contractual, and binding grant agreements. Because government grants are funded by tax dollars, they include stringent compliance and reporting measures to ensure the money is well-spent. Careful consideration and analysis should be given prior to applying or accepting these funds.

This policy describes the City's grant management and administration procedures and intends to do the following:

- Promote the use of best practices
- Promote sound financial management
- Promote efficiency and effectiveness in grant funded projects and programs
- Ensures the grant related activity is consistent with City's strategic priorities
- Ensures the integrity of the City's good standing among granting agencies
- Ensures accountability for financial and programmatic elements of grant administration and management

Adoption and Implementation: The City Council is responsible for adopting the City's Grant Funding and Compliance Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to Grant applications, contracts, expenditures, revenues, and grant compliances are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

Conflicts of Interest: An officer or employee of the City acting or appearing to act on behalf of someone other than the City; or in carrying out duties has or appears to have a self-interest from which a personal profit or gain is realized or that is actually or potentially adverse to the best interests of the City.

Conflicts of interest and the *appearance* of a conflict of interest can damage the reputation, credibility, and trust of the City. These situations may involve ethical, legal, or other issues and City officials and employees should be diligent in the identification of potential conflicts when working in any capacity with proposed or funded grant activity involving the City.

No officer or employee of the City shall have any interest, financial or otherwise, direct or indirect, or have any arrangement that may reasonably be expected to bias the design, conduct, or reporting of a city grant funded project.

It shall be the responsibility of the Grants Project Manager for each grant funded project to ensure in the use of project funds, officials or employees of the City and nongovernmental recipients or sub-recipients shall avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain
- Giving preferential treatment to any person or organization
- Losing complete independence or impartiality
- Making an official decision outside official channels
- Adversely affecting public confidence in the City and the grant funded program
- Or any other Conflict of Interest outlined per the specific grant agency

Employees and City Officials are responsible for exercising good judgment in applying, approving, requesting, managing and administering grant funds. Accordingly, the basic standard should prevail to provide prudent stewardship of public funds, the City's resources, and granting agency compliance.

2. GRANT APPLICATION

2.1 GRANT PLANNING AND OPPORTUNITIES

Each respective department within the City may research and identify grant opportunities to facilitate City Council's strategic goals, objectives, and initiatives as well as department work plans, to provide supplemental or alternative funding sources to public projects, capital expenditures, or operating programs and expenses.

Once grant opportunities are identified, employees are responsible for obtaining approval from their Department Head to pursue review of such funding. Gathering information beforehand will help ensure success in meeting a tight deadline. Coordination with the Principal Management Analyst, serving as Grants Manager is encouraged to facilitate the process. Necessary components in pursuit of a competitive grant application are:

1. A list of approved projects/programs meeting the needs of the Department as well as City Council priorities (ex. CIP, Master Plans, EIP, Community Plans etc.).
2. Project/program descriptions, goals and objectives.
3. Project timelines, estimated costs, project budgets.
4. Matching fund contribution and fiscal impacts.

2.2 DETERMING ELIGIBILITY

To determine eligibility for grant funding;

1. Review grant guidelines, specifications, and requirements

2. Coordinate with key personnel for staff and departmental impacts as well as Finance to access fiscal impact
3. Applications should be evaluated for administrative burden, compliance cost, city match requirements, long term costs, and operation and maintenance costs
4. In the event the cost to the City exceeds the amount received from the grant, the Department should seek approval from Finance as well as the City Manager to pursue the grant further
5. Department Head shall assign a Project Manager to manage the grant project, program, and department grant compliances
6. If an outside consultant is hired to assist with grant writing or project management; the Director will assign a staff member responsible for overseeing the consultant contract and ensuring grant compliance

2.3 CITY COUNCIL APPROVAL TO APPLY

City Council approval to **submit an application** is required for **ALL** Grant Applications. A detailed staff report and a resolution (if required) should be brought forth to City Council for Council approval/adoption. The staff report should include the following information:

1. Project and grant details
2. Budget summary
3. Administration requirements and funding source
4. Match requirements
5. Compliance requirements
6. Grantee responsibilities
7. Maintenance and operations requirements
8. Long-term costs including staffing needs after the expiration of the grant

Background: should summarize and detail the need for the project or program and which priorities will be met. Provide grant agency information.

Issue and Discussion: should summarize the proposed project or program, including all departmental impacts, goals and objectives and benefits or impacts to the City.

Financial Implications: should detail all fiscal impacts, long-term costs, matching contributions, operation and maintenance costs, budget availability or budget constraints.

In the event the application deadline does not allow the necessary lead time for City Council approval; and prior Council approval is not a requirement of the application; the Department Director should ensure the **approval of the City Manager *prior*** to submitting the application and will bring the item before council to the next appropriate meeting for ratification.

2.4 SUBMITTING GRANT APPLICATION

Following City Council approval, a completed grant proposal may be submitted by the department overseeing the project or program. The Project Manager and/or Grants Manager will follow the

grant guidelines, and requirements to review and submit a complete and competitive grant proposal.

Budget Summary: When determining the budget for the grant application all of the project expenses must be included in the application. This includes:

1. Total cost of the project
2. Project management and oversight, staff time, administration
3. Expenses that arise as a result of your project
4. City share of costs where applicable
5. Operation and maintenance, long-term or ongoing costs

3. GRANT ACCEPTANCE

3.1 APPROVAL PROCESS

Upon Grant approval the Department will receive a grant award letter from the funding agency detailing the measures necessary to accept the award. The city should also receive a finalized grant award contract which will become a binding agreement. The grant contract and **all compliance measures** should be reviewed by the Grants Manager, Project Manager, and the Department Director. Grant Manager reviews the grant contract to ensure ability to maintain compliance, and the Director will ensure the department's capability to comply with the contract and will make the appropriate recommendation to City Manager and City Council.

3.2 CITY COUNCIL APPROVAL TO ACCEPT AWARD

The final step in the approval process is taking the awarded grant contract and funding acceptance, to **City Council for approval and budget appropriation**. Staff report should include:

1. Details of the grant contract, project/program and all compliance required.
2. Acceptance of the grant award, as well as the details necessary to appropriate the grant funding into the City's Budget. **The appropriated budget must match the approved budget in the grant award.**
3. Anticipated revenues, along with balanced associated expenditures with account numbers must be outlined in detail in the staff report and resolution. (Expenditures cannot exceed revenues).
4. All pertinent documentation should be attached, including the grant award contract.

Provide a copy of the signed Council Resolution, and the executed Grant Contract to the Grant Manager to ensure the funds are appropriated into the budget, and tracking procedures can begin.

3.3 EXECUTION OF AWARD

The Grant Contract is fully executed and the funds can be spent when the following steps are complete:

1. Granting Agency signs the grant contract and specifies the dates of the "term of the agreement"
2. **Grant Contract has been approved through City Council**
3. City's Authorized Signatory signs the grant contract
4. Grant revenues and expenses have been loaded into the appropriate account within the City's Budget

Grant funding cannot be spent prior to approvals and a grant award notification is received from the Granting Agency. The Granting Agency typically sends the Department the original, signed, and fully executed, Grant Agreement. The Department will forward the original copy to the City Clerk as well as a copy to the Grant Manager. A copy needs to be kept within the department in a centralized file for future reference.

Authorized Signatory Responsibility: All Grant applications require an Authorized Signatory on behalf of the City. The Authorized Signatory is usually the Mayor, City Manager, or the Department Director. The signature legally binds the City to all terms and conditions within the grant agreement regardless of whether; the city is the main beneficiary of the funding; the city has applied on behalf of another agency for pass through funding; or the city has hired an outside agency to oversee and manage the project.

4. GRANT MANAGEMENT AND COMPLIANCE

4.1 ROLES AND RESPONSIBILITY

The following shall describe responsible parties for activities surrounding the submittal, implementation, maintenance, reporting and other related duties for grant funded projects by or on behalf of the City of South Lake Tahoe. The full development of a project or program requires the assistance and support from all affected departments.

Financial Services Department

The ***Principal Management Analyst*** in Finance will serve as the ***Grants Manager*** and is the primary person responsible for providing city-wide coordination and monitoring of grants. This individual is responsible for ensuring the City's grants management and compliance program is current and effectively fulfills the compliance requirements of the City's policies and external granting agencies and is available for assistance and guidance for a successful proposal.

The Grants Manager is responsible for:

1. Researching grant opportunities and notifying departments of such opportunities.
2. Acting as a liaison between departments and funding agency personnel.
3. Assisting staff, adhering to grant guidelines, policies, and deadlines.
4. Assisting departments with City Council agenda items regarding applying for grants, accepting awards, and appropriating the grant budgets and/or reviewing agenda items related to grants prior to submission.

5. Receiving a copy of the grant award and maintaining a grant file; tracking grant activity at all stages of the grant cycle. Maintain master files of "open" and "closed" grants in accordance with retention requirements.
6. Developing and conducting grants administration training and assistance to staff pertaining to grant management and compliance.
7. Ensuring the departments track and report programmatic and financial grant activity in a timely manner in accordance with grant agreement, providing the proper account codes as budgeted.
8. Coordinating with Department Head, Project Manager and Finance personnel to gather all information required to meet grant funding requirements, including contracts, professional agreements, and proper invoicing from vendors.
9. Preparing and submitting grant reimbursement requests, financial reports, and final financial reconciliation and closing reports.
10. Monitoring and tracking cash flow and accounts receivable.
11. Preparing Schedule of Expenditures of Federal Award for the Single-Audit requirement.
12. Acts as a liaison between auditors, granting agency, and department personnel.

City Departments

The ***Department Director*** is responsible for programmatic and fiscal responsibilities for the designated department. This individual ensures adequate staff and infrastructure are provided for the appropriate performance of grant award management and provides oversight of staff identified as key personnel on grant awards.

Department Director is responsible for:
1. Ensuring adequate management of programmatic and fiscal aspects of the grant awards.
2. Assigning staff to adequately manage the grant awards.
3. Managing general departmental-level support activities related to grants management.
4. Approving submittals and proposed programmatic and fiscal changes to the grant.
5. Reviewing budget amendment requests if they affect commitments by the department.
6. Ensuring cost sharing dollars are available and the budget is adequate relative to the project scope and its justification is appropriate.

The Department ***Project Manager*** is the primary person responsible for the programmatic activities on a project/grant. Although some tasks may be delegated, the Project Manager is the chief accountable person and bears responsibility for the overall administrative and fiscal conduct of the grant project, for meeting the terms and conditions of the grant award, and for representing the project to the granting agency.

The Project Manager is responsible for:
1. Preparing the grant proposal, with an emphasis on the technical details, scope of work and budgetary components; coordinate with Grants Manager for fiscal impact and assistance.
2. Forwarding all grant agreements and documentation to the Grants Manager for review prior to execution by the proper City officials; prepare City Council agenda items, staff reports, resolution, and requesting budget be established and approved prior to incurring expenditures.
3. Modify and monitor the project budget, scope of work, and ensuring the appropriate charging of expenditures to the project in compliance with grant award.

4. Appropriately managing the programmatic aspects of the project, monitoring expenditures to ensure grant funds are spent in accordance with the approved budget.
5. Approving all grant expenditures and payment request, utilizing appropriate account numbers and ensuring budget. Submit to Department Director for approval.
6. Working with the Grants Manager to ensure the completeness, accuracy, and timeliness of programmatic and financial reports submitted to the granting agency.
7. Prepares project reporting, progress reports, final reports, monitoring reports.
8. Ensures Finance Department receives copies of pertinent information, documentation, reports or correspondence with the granting agency.
9. Ensuring contractors, subcontractors, consultants have complied with the appropriate work in a timely manner and in accordance with technical, financial, and other requirements of the award, as well as reviewing their invoices for accuracy and grant compliance.
10. Adhering to the terms of the grant agreement and policies and notifying the Grants Manager if changes are needed.
11. Follows State, Federal and City procurement, and contract policies in the utilization of grant funding.
12. Complying with Single Audit Act requirements; providing documentation for audit requests; and adhering to audit recommendations.

4.2 GRANT PROCUREMENT

The purchase of goods, materials, supplies, equipment, services, and non-public contracts must follow the City Procurement Policies and Procedures as well as the City's Purchasing Ordinance (SLTCC § 3.45) adopted by City Council. Public Contracts and Public Projects must adhere to Public Contracts and the Uniform Public Construction Cost Accounting Act as adopted by City Council (SLTCC § 3.45 Article II).

Federal Awards, Cooperative Agreements, or State Awards utilizing Federal Funds must also follow the General Procurement Standards in the Code of Federal Regulations (CFR); Title 2: Grants and Agreements section §200.318 through §200.326. These guidelines can be found at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl; or contact Grants Manager for additional information (ext. 7410).

Grant Awards and Cooperative Agreements utilizing funds through Caltrans must follow the Local Assistance Procedures Manual (LAPM, particularly Chapters 5 and 16. These guidelines can be found at https://dot.ca.gov/programs/local-assistance/guidelines-and-procedures/local-assistance-procedures-manual-lapm or contact Grants Manager for additional information.

Suspension and Debarment: ALL **Federal Awards** used to procure vendors, consultants, and/or contractors, providing services to the city in excess of **$25,000.00** must maintain evidence of vendor **"Suspension and Debarment"** verification through the "Systems for Awards Management (SAM). Print or save a copy of verification and submit it to Finance or contact Grant Manager to obtain a copy. This requirement must also be included in your Contract, Professional Services Agreement, or PO. (Refer to Purchasing Policy for boiler plate "Suspension and Debarment" language).

4.3 COMPLIANCE STANDARDS

The City "shall at all time exercise responsibility over the implementation of the project" and is held liable for all provisions set forth in the agreement, as quoted from a current grant contract. Therefore, it is imperative that all departments involved, as well as the Authorized Signatory, fully understand the conditions of the grant agreement and follow the compliance measures put into place. This will further ensure the integrity of the City's commitment to the Grantor, help maintain audit compliance, and avoid grant fraud speculation.

Non- compliance; non-compliance findings can result in loss of final retention reimbursement, terminating the grant agreement, repayment of funds, suspension or debarment from receiving future grants, and/or implementation of grant special conditions.

Evidence that an organization has grossly ***misused funds*** or committed ***fraudulent activity***, can result in civil actions against the City and/or City Officials and Personnel to include:

1. Recovery of funds up to triple damages
2. Criminal remedies including arrest
3. Prison sentences
4. Seizure of assets
5. Monetary fines.

Falsification of Documentation- Submitting fraudulent receipts, falsifying an application, or report will result in disciplinary action and may lead to termination of employment and/or criminal action.

The City of South Lake Tahoe reserves the right to deny request of reimbursement for expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances must be approved by the City Manager and the granting agency, if those expenses do not violate Federal or State requirements.

5. GRANT ACCOUNTING

After award acceptance, the Grant Manager will maintain documentation and begin proper tracking and monitoring of the new grant. The Project Manager will monitor and manage the consultant and/or contractor contracts, and track the project budget.

1. Before initiating a contract, purchase order, agreement with a service provider, professional services agreement, or other expense; review the Grant Agreement for **terms and conditions.**
2. Compliance must be maintained with City policy, the Grant Award, and State and/or Federal Policies. Follow the most stringent procedures to ensure all compliances are being met.
3. Before entering into agreements with vendors or contractors, verify that the provider or business has a **valid City Business License.**

4. Staff and/or contractors, consultants or service providers utilizing grant funding must disclose all relevant **conflict of interest** or criminal violations in writing to the appropriate granting agency and follow the guidelines as outlined in the City Council adopted resolution #2016-69.
5. Grant expenditures must be expensed as detailed in the grant application, grant contract and as approved in the City Annual Budget.
6. Consultant/contractor/vendor invoices must be thoroughly reviewed by Project manager for compliance with City and Grant Procurement, Federal compliances and Public Contract Code prior to authorization for payment.
7. If conditions of the Grant Contract are not met; the **Grantor is under no obligation to disburse funds or reimbursement.**
8. ALL **Federal Awards**, Cooperative Agreements, or State Awards utilizing Federal Funds must follow the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Chapter 1, Chapter 2, Part 200). These guidelines can be found at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

5.1 MONITORING THE BUDGET

Funds must be spent in the manner approved by the Granting Agency and City Council. The **Project Manager** is responsible for:

1. Monitoring the project budget and city staff time budget.
2. Monitoring sub-contractors, sub-recipients, service providers.
3. Monitoring budgets for contractors, consultants, and professional service agreements.
4. Reviewing invoices for payment; specifying appropriate account numbers.
5. Timely submittal of invoices for payment ensuring adequate cash management.

The **Grants Manager** is responsible for:

1. Monitoring expenses after payment to ensure compliance between the grant budget and the City's budget.
2. Preparing and submitting grant payment requests, managing receivables, and cash flow.
3. Preparing and/or reviewing Staff time, administration, and activity delivery.
4. Tracking expenses and revenues in accordance with Grant Contract.
5. Providing direct communication with granting agencies and city departments.

Adjustment between budgeted line items to the approved grant budget; must be approved by the Granting Agency in the manner stated in the Grant Agreement. Concurrently, the Department Director should request a budget adjustment via e-mail to the Finance Department.

Adding additional budget to an approved grant or reducing budget or scope via a Grant Amendment must follow procedures and **request council approval accepting the additional funding** and loading the budget or reducing the budget and accept reducing the scope of the project.

5.2 CASH MANAGMENT

To minimize time lapsing between outlay of city funds and receipt of grant funds, timely review, approval, and submittal of vendor invoices and grant reimbursement requests is imperative.

1. Invoices and receipts must be paid, with a check cut to the vendor prior to requesting reimbursement; therefore timely submittal of invoices is required.
2. All work performed and items purchased within a fiscal year; must be **paid within the fiscal year the work was performed** (This is an audit requirement).
3. Provide a brief explanation/justification on the delay of pay requests for invoices submitted **for payment 45 days or more beyond the date of the invoice**; this will help provide information to auditor, or Grantor.
4. When submitting invoices (over $250,000) for payment, notify Accounts Payable and Grants Manager to manage bank balance cash flow and expedite grant reimbursement.

5.3 REIMBURSEMENT REQUESTS

Most grant reimbursements are submitted in arrears. The city must first expend the funds; pay the invoice and request reimbursement after payment has been finalized. Grant reimbursements will be requested in the manner set forth in the grant agreement and as frequent as permitted when expenditures dictate.

- Grants Manager will be responsible for preparing the reimbursement request, or reviewing the request before submitting to the Granting Agency.
- Invoices must be paid in a timely manner and distributed in the General Ledger prior to reimbursement requests.
- Once the billing is complete, it will submitted to the Authorized Signatory for review and approval.
- This review enables an examination of expenditures, proper account numbers, staff time accuracy, and project deliverables.
- After the billing is signed, the Grants Manager will submit as required in the Grant Agreement.
- The revenue is entered into accounts receivable and tracked by the Grants Manager to ensure receipt.

5.4 STAFF TIME/ ADMINISTRATION

Follow grant guidelines in determining eligibility of charging staff time to the grant or using staff time as the City's match or cost share. Employee rates provided should be directly from employee payroll at current actual hourly rates and remain in effect until such changes are submitted through a "change of status" to Human Resources, or a change to the employee "MOU" within the city.

- Grant timesheets (provided by Finance, Grant Manager) must be used when charging staff time to a grant.
- The Grant timesheet must represent the actual hours worked in a pay period and account for the grant hours within that pay period.

- Department Head and employee must approve the grant timesheets at the end of the pay period and submit the timesheets to the Grant Manager.
- Grant Manager will calculate the staff time directly from the pay period payroll documentation.
- Compensation for personnel services on federal grants must be based on payroll documented through standard City policy and procedures. The consequences of noncompliance with employee time and effort certification may be the disallowance of such charges to the grant.
- Federal grants require accounting for 100% of one's time even if all of one's time is not allocated to the grant project (2 CFR 200.430).
- Wages of employees used in meeting cost sharing or matching requirements of federal awards must be supported in the same manner as those claimed as allowable costs under federal awards.

5.5 INTERNAL CONTROLS

Expenditures

When an invoice is received for a grant funded project, the workflow for payment shall be as follows:

1. Reviewed by Project Manager and back-up documentation verified
2. Approved by Department Head or Authorized Signatory per Procurement Policy
3. Submitted to Accounts Payable for entry and procurement documentation verified
4. Vendor checks are printed by Revenue Accountant, posting payment to the General Ledger
5. GL detail is reviewed by Grants Manager for grant reimbursement preparation
6. Grant Manager prepares reimbursement request according to grant budget and agreement terms, as well as information provided from Project Manager below

To assure the invoice gets paid from the proper grant and project; the Project Manager shall:

1. Determine available budget within vendor contract as well as city financial system
2. Specify the grant name, agency, and grant number on the pay request or invoice
3. Specify whether the invoice is 100% reimbursable or what portion is reimbursable through which revenue sources assigned to project
4. Specify the amount and revenue source when splitting an invoice between multiple grants or revenue sources
5. Be specific when paying an invoice between multiple account numbers
6. Make a notation of the account number, name and grant number on the receipt of an expense being paid with a City Cal Card or petty cash

Equipment and other Capital Expenditures

Equipment (Capital Expenditures) purchased with Federal funds must follow Code of Federal Regulations CFR §200.313 and §200.439. These guidelines can be found at the link below: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Capital expenditures for special purpose equipment are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.
3. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, meet the following requirements:

    - Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
    - A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.
    - Control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
    - Adequate maintenance procedures must be developed to keep the property in good condition.
    - If the City is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return. See *CFR §200.313 (e) Disposition*, for guidelines.

Revenues

When a Reimbursement Request is submitted it is:

1. Prepared by Grants Manager after verifying account numbers, budgets, proper grant documentation, matching documentation and back up
2. Approved and signed by Authorized Signatory per grant Agreement
3. Submitted and entered into Accounts receivable by Grants Manager
4. Funds are received and deposited by Revenue Supervisor
5. Deposit is reviewed and reconciled into the GL System by Revenue Accountant

6. POST AWARD

6.1 CLOSEOUT

After completion of all required performance period activities, the Administering Department and Finance shall perform grant closeout tasks in accordance with Federal CFR §200.343, or corresponding State regulations, and/or contractual requirements.

1. The Project Manager is responsible for final performance reports and programmatic reporting required by the terms and conditions of the award and shall provide copies to the Grants Manager in Finance
2. The Grants Manager is responsible for final financial reports and final reimbursement as required by the terms and conditions of the award
3. The Project Manager and Grant Manager are responsible for collecting and maintaining all appropriate back up documentation for performance, financial, and final reports
4. The Administering Department and Finance shall ensure that all financial activities are recorded, that revenues balance to expenditures, and that revenues and expenditures balance to budget figures
5. The Administering Department and Finance are responsible for ensuring their **records retention** follows the compliance in the grant award or at a minimum is held 5 years after final close date of award.

6.2 AUDIT

All Granting Agencies reserve the right to call for a program audit or a financial audit at any time between execution of the agreement and the completion or termination of the project.

All non-Federal entities that expend $750,000 or more of Federal awards in a year are required to obtain an annual audit in accordance with the Single Audit Act Amendments of 1996, OMB Circular A-133, the OMB Circular Compliance Supplement and Government Auditing Standards. A single audit is intended to provide a cost-effective audit for non-Federal entities in that one audit is conducted in lieu of multiple audits of individual programs. The City exceeds the $750,000 threshold and is subject to this required Audit annually.

Federal Single Audit Act and annual reporting requirements are contained in 2 CFR Part 200 Subpart F (200.5 Compliance and Audit Requirements.) It is important that all grant activity and any changes to the grant are well documented to facilitate any audit. Audit findings made during the audit are provided to the grantor, which could prompt an audit by the grantor.

The following activities are the fourteen types of compliance requirements considered in every audit conducted under 2 CFR Part 200 Subpart F, and many are described throughout this policy:

1. Activities: Allowed or Unallowable
2. Allowable Costs/Cost Principles
3. Cash Management
4. Compliance with Terms & Conditions (e.g. Davis-Bacon Act)

5. Eligibility
6. Equipment and Real Property Management
7. Matching, Level of Effort, Earmarking
8. Period of Availability of Federal Funds
9. Procurement, Suspension and Debarment
10. Program Income
11. Real Property Acquisition and Relocation Assistance
12. Reporting
13. Subrecipient Monitoring
14. Special Tests and Provisions

The Administering Department and Finance are responsible for ensuring their records are maintained in accordance with applicable City policy, State law, and Federal regulations and maintain compliance with Federal Code 2 CFR Part 200.

- Project Manager is responsible to provide all programmatic and procurement documentation requested by a Granting Agency or Auditor

- Grant Manager is responsible to provide all fiscal documentation requested by a Granting Agency or Auditor

Complete and proper documentation is instrumental to a smooth and successful audit; which reflects positively on the City, and in turn increases the chance for future successful grant applications.

FINANCIAL MANAGEMENT
TRAVEL POLICY

These guidelines establish the basic policies and procedures for **overnight** travel on City business. All City employees and City officials traveling for City business purposes are responsible for knowing and following this policy.

TABLE OF CONTENTS

This policy is organized into the following seven sections: Page

1. General Standards.....2

2. Travel Authorization.....2
2.1. Delegation of Authority.....~~2~~ 3
2.2. Allowable Expenses.....3

3. Planning an Official Trip.....~~3~~ 4
3.1. Compensation.....~~3~~ 4
3.2. Registration.....4
3.3. Transportation.....4- 5
3.4. Lodging.....6~~5~~
3.5. Meals.....~~5~~ 6
3.6. Prohibited Expenses.....7~~6~~
3.7. Personal Travel.....7~~6~~
3.8. Illness While Traveling.....7~~6~~

4. Payments and Reimbursements.....8~~7~~
4.1. Payment Options.....8~~7~~

5. Final Accounting and Reconciliation.....~~7~~ 8
5.1. Maintaining Documentation.....~~7~~ 8-9
Missing or Lost Receipts.....8 - 9
5.2. Expense Reporting….....9~~8~~

6. Falsification of Expenses.....9~~8~~

7. Forms and Publications.....10~~9~~
7.1. IRS Publications.....~~9~~10
Travel Authorization and Advance Form (prior to travel) EXAMPLE.....11~~10~~
Travel Expense and Reconciliation Form (return from travel) EXAMPLE.....12~~1~~

Formatted: Font: Not Bold

Formatted: Indent: Left: 1.44", No bullets or numbering

1. GENERAL STANDARDS:

The purpose of this policy is to document allowable business travel expenses eligible for reimbursement. These include necessary and reasonable expenses as defined under Section 162 of the Internal Revenue Code for purposes of Federal and State Income Tax Laws. This policy applies to all travel expenses regardless of the source of funds.

"Out-of-town travel" means travel on City business away from the normal workplace or residence and requires an overnight stay. Out-of-town travel expenses include transportation, meal and incidental per diem, lodging, and other travel related allowable expenses.

Adoption and Implementation: The City Council is responsible for adopting the City's Travel Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts. Updates to Per Diem and Mileage rates may be made periodically in accordance with Federal General Services Administration (G.S.A) established rates.

Public Records Requirement: All documents related to reimbursable City travel expenditures are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

Travel Authorization and Advance Form (T.A.A.): this form is located in Public Folders/ Finance Department/ Travel. This form must be completed and approved ***prior*** to scheduling or paying for any expenses related to the travel, including reservations. Upon approval, submit this form to Accounts Payable for advance payment and/or record retention.

Travel Expense and Reconciliation Form (T.E.R.F.): this form is located in Public Folders/ Finance Department/Travel. This form must be completed and approved upon return from travel. This form is used to reconcile all expenses. Upon approval, submit this form to Accounts Payable for reconciliation of expenses and record retention.

Employees and City Officials are responsible for exercising good judgment in requesting, arranging, and reimbursing a business trip. Accordingly, the basic standard that should prevail is to provide prudent stewardship of public funds and the City's resources.

2. TRAVEL AUTHORIZATION:

All employees must receive authorization for travel from their Department/Division Head prior to scheduling a trip. ~~In addition, all requests for ***out-of-state*** travel must be approved by the City Manager prior to taking the trip.~~ Authorization may be granted when travel funds are available in the Department's approved budget. All employees must have the Travel Authorization and Advance (T.A.A) Form completed and signed by their Department or Division Head prior to booking or paying for travel.

"Out-of-State" travel must be approved by the City Manager prior to scheduling a trip. Either

Formatted: Font: Italic
Formatted: Font: Italic
Formatted: Font: Not Bold
Formatted: Font: Italic
Formatted: Font: Not Bold, Italic
Formatted: Font: Not Bold
Formatted: Font: Bold, Italic
Formatted: Font: Bold

attach an approval email to your Travel Authorization form or obtain the City Manager's approval signature on the T.A.A. Form.

Requests for advances, per diem for meals and incidentals, and support for all expenses directly paid to the vendor must be included on the approved T.A.A Form.

2.1. DELEGATION OF AUTHORITY

Finance Director for:	City Manager
City Manager approves for:	Direct Report Employees, Department Heads, & City Clerk/ Elected Officials
Department Heads approve for:	Division Managers, City Employees
Division Managers approve for:	Direct Report Employees

The Authorized Signor is responsible for determining the cost to be reasonable and justified, assuring the following:

1. The purpose cannot be accomplished by internet, mail, or telephone.
2. The seminar, meeting, or conference is necessary to accomplish key City goals/objectives and is unavailable locally if overnight accommodations are required.
3. The minimum number of City staff members will be going.
4. The itinerary ensures accomplishment of the purpose at the lowest reasonable cost.
5. The traveler understands and follows these guidelines.
6. There is enough budget in the appropriate travel line item to cover the costs.
7. A Travel Expense Reconciliation Form with all substantiated receipts will be submitted.

~~The Authorized Signor is responsible for determining the cost to be reasonable and justified, assuring the following:~~

~~1. The purpose cannot be accomplished by internet, mail, or telephone.~~
~~2.~~1. ~~The seminar, meeting, or conference is necessary to accomplish key City goals/objectives and is unavailable locally if overnight accommodations are required.~~
~~3.~~1. ~~The minimum number of City staff members will be going.~~
~~4.~~1. ~~The itinerary ensures accomplishment of the purpose at the lowest reasonable cost.~~
~~5.~~1. ~~The traveler understands and follows these guidelines.~~
~~6.~~1. ~~There is enough budget in the appropriate travel line item to cover the costs.~~
~~7.~~1. ~~A Travel Expense Reconciliation Form with all substantiated receipts will be submitted.~~

2.2. ALLOWABLE EXPENSES

Expenses incurred in connection with the following activities generally constitute authorized expenses when guidelines of this policy are met:

1. Communicating with representatives of regional, state, and national government on City adopted policy positions.
2. Serving on professional organizational/governmental committees, boards, or task forces.
3. Attending educational seminars, conferences, or organized educational activities designed to improve skill levels or provide information on topics important to City policy and operations.
4. Preparing research for City projects or implementing adopted City plans, policies, goals, or programs.
5. Attending meetings involving activities or decisions important to City interests and are consistent with adopted plans, policies, goals, or programs.
6. Attending events where the City is a formal sponsor or participant, or in performance of official duties for the City.
7. Communicating with individuals or representatives of community groups on policy positions adopted by or under consideration by the City.
8. Engaging in other business-related activities with a direct connection to the implementation of adopted City plans, policies, goals, or programs.

3. PLANNING AN OFFICAL TRIP:

3.1 COMPENSATION

When travel time exceeds the normal work week and the operating MOU allows, the City's rules for overtime apply. In determining overtime compensation, normal commute time should be deducted from the total time traveled. Additionally, normal unpaid meal periods are not considered work time when traveling. Overtime eligibility applies equally to drivers and passengers and should be granted whether the travel occurs during normal workdays, weekends or evenings.

Formatted: Body Text, Indent: Left: 1.14", Right: 0.96"

3.2 REGISTRATION

Fees charged for registration at any convention, meeting, or training are reimbursable with prior approval. Registration fees can be paid with a Cal-Card, requested as an advance with documentation of published rate, or reimbursed with itemized receipt if the employee pays for the registration on their own.

3.3 TRANSPORTATION

Transportation at the Destination- Use of public transit such as intercity trains, buses, streetcars, or ridesharing etc. is appropriate. If a car rental is required, attach a quote from the most reasonably priced rental car company for an advance check, use your Cal Card for payment, or attach an itemized receipt for reimbursement.

Air Travel- All air travel on City business should be coach class. Compare airline carriers prior to making reservations to ensure the most competitive rates are available to the City.

Reminder, out-of-state travel must be pre-approved by the City Manager.

Traveling by Automobile- Traveling by a City vehicle is the most ideal. If one is not available or a personal car is preferred, approval of the Authorized Signor is required.

City Vehicle: When using a city vehicle, reimbursement for gas expenses is appropriate. Due to liability concerns, non-City employees/officials including spouses, children, and guests should not ride as passengers in City vehicles.

Personal Vehicle: When using a personal vehicle for travel; reimbursement at the current approved IRS Mileage rate (2023~~2~~ rate of 65~~2~~.5 cents per mile) will be provided. "Google Maps" or other mapping sites must be used in determining mileage reimbursements. The City will not reimburse for non-business-related mileage such as a personal stop or an indirect route taken for personal reasons.

Mileage in-lieu of Commercial Carrier Costs: In the event a commercial carrier such as an airplane would otherwise be the preferred mode of transportation, but a personal car is preferred (subject to the approval guidelines set forth above), mileage will be reimbursed up to the cost of a commercial carrier.

To drive a privately-owned vehicle on City business it is required to:

1. Possess a valid license to drive in California.
2. Carry liability insurance limits required by Human Resources with the City named as additional insured.

3. Realize that any damage to the car or needed service/repair occurring on the trip will be your responsibility as these costs are included in the City's per mile cost reimbursement.

3.4 LODGING

Accommodations- The City will pay for a single room (including taxes and parking) for as many nights as necessary. The accommodations used should be economical but practical. In general, choose the most reasonably priced accommodations available consistent with the purpose, goals, and convenience of travel.

Canceling a Reservation- Cancel any reservation that cannot be used. If the City is charged for an unused reservation, the employee will pay the charge unless circumstances requiring cancellation were reasonably beyond control and approved by the Authorized Signor.

3.5 MEALS

Please note: Procurement cards (CAL-Card), or Petty Cash, -cannot be used for meals while traveling.

There are no exceptions. Please see Section 8 (Restricted and prohibited purchases) of the Cal-Card User Handbook. Refer to Finance Policies- Cash, for disbursement of Petty Cash requirements.

To qualify for meal allowance:

1. Travel must be to an **overnight** destination outside of the City limits.
2. Meal expenses will be paid on a not to exceed per diem rate while traveling on official business as published by the Federal Government gsa.gov website under Per Diem Rates.
3. The per diem will generally be paid in advance of travel (receipts not required). Where a timely per diem request is not submitted (within 10 days prior to travel) and/or as determined by the employee's department head; a reimbursement of meal expenses may be submitted after travel (**requires submittal of receipts**).
4. Reimbursement in excess of allowable standard Federal Per Diem rate is taxable and must be reported on an employees' W-2 as wages. Therefore, under no circumstances may the cost of meals exceed the per diem rates allowed under this policy. **Employee is responsible for meal costs above current approved per diem rate.**
5. Employees may not claim meals provided by the event or included in hotel costs or conference fees.
6. Meals must be accounted for upon your return on the Travel Expense and Reconciliation (T.E.R) Form. No receipts are required for advance per diem payments. All reimbursed meal expenses require attached receipts.

Current Per Diem rates for 2023~~2~~ for South Lake Tahoe are as follows: Breakfast: $17.00
Lunch: $18.00
Dinner: $34.00
Incidental Expenses: $5.00 (payable full day)

Formatted: Font: 14 pt

Formatted: Font: Bold

Total M&IE allowable payment for a full day (excess of 12 hours): $74
First & Last Day of Travel (less than 12 hours): $55.50*

* per GSA allowable Per Diem rates, the first and last day of travel may be received at 75% of total M&IE, this amount is only allowed on first and last travel days.

Rates are subject to change per Federal Government General Services Administration (GSA) www.gsa.gov/perdiem.

3.6 PROHIBITED EXPENSES

Examples of prohibited expenditures include but are not limited to:

- Alcohol/narcotics
- Toiletries/medicines
- Car repair/traffic citations (parking tickets, toll fines)
- Credit card interest charges
- Pet hotel fees, Health club fee/ spa treatments
- Fees for upgrades of air, hotel, or auto
- Headphones or extra incidentals on airlines
- Laundry/dry cleaning
- Movies/entertainment (in-room or off-site)
- Sporting events, theater, or cinema
- Personal expenses/spouse or guest expenses

3.7 PERSONAL TRAVEL

If time is taken away from official business for personal matters, or return is delayed after completing the business trip, reimbursement will not be provided for expenses incurred during that time. Pre-approval is required when combining business and personal travel. If this extended period occurs during regular scheduled work hours, the time will be counted as vacation, comp time, paid time off, or leave without pay.

3.8 ILLNESS WHILE TRAVELING

Should an employee/official become sick or ill during a travel business trip, reimbursement will be provided for necessary additional living expenses (except those directly related to your illness, such as physician or hospital costs) until the employee can return home. Employees are required to notify the supervisor or Authorized Signor as soon as possible of becoming ill. If applicable, the time will be counted as sick leave or paid time-off during your normally scheduled work hours.

4. PAYMENTS AND REIMBURSEMENTS:

The City will pay all legitimate expenses of your trip or meeting. These include transportation, lodging, registration fees, meals and any other related expenses such as parking, baggage fees, and bridge tolls **if they are for official business and within the guidelines of this policy.**

4.1 PAYMENT OPTIONS

Direct Vendor Payments: Direct payments made by the City to an organization to pay for specific costs related to a trip, usually registration fees, lodging and airfare. To obtain direct vendor payments, complete the appropriate sections of the T.A.A. Form and attach payment information for all direct payments. Retain a copy of the completed form to assist in reconciling actual expenses.

Cal Cards may be used to pay vendors directly for travel expenses, upon approval with completed T.A.A from. Receipt of payment on a Cal Card must be submitted with both the Travel Expense and Reconciliation (T.E.R.) Form and Cal Card Statement. Attach a copy of your T.A.A form to your Cal Card statement, when paying for travel expenses (including hotel reservations) with your Cal Card. -

Payment for travel meals on a Cal Card is prohibited.

Formatted: Font: Bold

Formatted: Font: 14 pt

Cash Advances: Advance payments can be provided to an employee prior to travel to cover expenses including per diem for meal expenses, Hotel Registration, Transportation etc. To request cash advance, the Authorized Signor must review the amount ensuring it is reasonable and within the current Approved Per Diem Rates and department budget.

Employees must submit a T.E.R. Form to Accounts Payable with final reconciliation documenting all expenses and attaching receipts. Meals must be accounted for although receipts are not required if the employee received a per diem advance.

Reimbursements: Upon return, account for all expenses incurred on the T.E.R. Form attach substantiated receipts for all expenses and obtain proper approval from the Authorized Signor. Reimbursement of Meals requires itemized receipts. Reimbursements will be processed within ten (10) days of submittal to Accounts Payable.

Petty Cash cannot be used for Travel Costs. Refer to Financial Policies- Cash, for disbursement of Petty Cash requirements.

5. FINAL ACCOUNTING AND RECONCILIATION:

5.1 MAINTAINING DOCUMENTATION

- Maintain a detailed record of all expenses incurred during travel: meals, transportation/mileage, lodging, car rentals, parking fees, registration fees, and any other reasonable and necessary expenses to assist with final reconciliation.
- Detailed receipts must be submitted for all expenses except when receiving advanced per diem for meals. Failure to provide such documentation will result in

denial of reimbursement.

Missing or Lost Receipts: Reimbursement of expenses without receipts becomes taxable income. Therefore, the city will not reimburse employees without receipts. In the event receipts are not availablee, provide a written explanation to your Department Head, include a full description of the cost of the expense and reason the receipts are missing. IRS requires the name of the establishment, the date of service, description of items/meals/service purchased, amount paid, include tax if applicable. If you used a personal credit or debit card, provide a copy of the bank transaction. This written explanation must be approved by the Department Head and submitted to the Finance Director for approval. Once approved, submit this documentation with your T.E.R. Form to Accounts Payable. The City reserves the right to require additional approval of the City Manager, where necessary or deny the reimbursement.

Formatted: Font: Bold, Font color: Red

Formatted: Font color: Red

5.2 EXPENSE REPORTING

Within 10 days of return, employees must submit a T.E.R. Form to Accounts Payable with final reconciliation and receipts documenting all expenses. Failure to return this form will result in repayment to the City of any advanced funds and/or denial of reimbursement for expenses not accounted for in this manner.

Per IRS Section 15: to be excluded from taxable wages your T.E.R Form must include the following:

- The business purpose of the trip
- The date and place of the trip
- Receipts for lodging, and all travel expenses
- Receipts for meals if requesting reimbursement

Authorized Signor approving expense reports are responsible to ensure:

1. All expenses are reasonable, necessary and consistent with this policy.
2. All required itemized receipts are attached.
3. The final reconciliation is correct (balance due employee; balance due City).
4. Amounts due to the City are reimbursed within 10 days.
5. Final accounting on T.E.R. Form is submitted to Finance.

6. FALSIFICATION OF EXPENSES:

Submitting fraudulent receipts or falsifying a Travel Expense Reconciliation Form will result in loss of reimbursement privileges and may lead to disciplinary action up to and including termination of employment.

The City of South Lake Tahoe reserves the right to deny reimbursement of expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual

expenses incurred due to special circumstances may be approved by the City Manager, if those expenses do not violate Federal or State requirements and when in the City Manager's judgment, such expenses are justified. These expenses must be submitted on a Travel Expense Reconciliation Form supported by documentation and written explanation of circumstances, signed by Department Head, Finance Director, and City Manager.

7. FORMS AND PUBLICATIONS:

The following forms are required when traveling for City business:

1. Prior to booking and paying for travel: Travel Authorization and Advance Form (T.A.A.F.).
2. Return from travel: Travel Expense and Reconciliation Form (T.E.R.F.).
3. Examples to assist in filling out these forms is located on the next page.
4. Blank forms are located in Outlook, Public Folders, Finance Dept., Travel-Training Polices. Updated Aug. 2022.

7.1 INTERNAL REVENUE SERVICE (IRS)

For additional information or clarification, refer to the following IRS publications.

- IRS Publication 15-B, Employers Tax Guide to Fringe Benefits for tax reporting requirement
- IRS Publication 463, Travel, Entertainment, Gift and Car Expenses
- IRS Publication 5318, Tax Cuts and Jobs Act, tax reform 2017

Financial Management - Travel Policy

CITY OF SOUTH LAKE TAHOE
TRAVEL AUTHORIZATION AND ADVANCE FORM
PRE TRAVEL REPORTING

This form should be completed in legible handwriting or in Excel using the City's standard template prior to booking or paying for travel.

EXAMPLE

PURPOSE OF TRAVEL

Attend the 2022 Annual ABC Conference in San Francisco, CA to learn of recent developments in xxxxxxxxx to assist my derpartment in xxxxxxx. Conference begins 9:00 AM on Juned 2nd and ends 12:00 AM on June 4th.

Employee	Department	Position
First & Last Name	City Department	Employee Title

Destination	No. of Days (including first/last)	Total Cost of Travel
San Fransico, CA	3	$ 1,290.72

ITINERARY

Departure From:	Date/Time	Arrival To:	Date/Time
City Offices, address	6/1/2022 12:30	San Francisco, ABC Hotel	6/1/2022 16:30

ESTIMATED COST SUMMARY

Description	Vendor	Payment Method*	Account Number	Paid/ Reimb	Advance
Registration	ABC Conference	D (Cal Card)	100 xxxxx 44050	$ 100.00	
Air Fare	N/A				
Lodging	Hotel (3 nights + park	R (Reimbursement)	100 xxxxx 44050	$ 735.84	
Rental Car	N/A				
Mileage- Personal Vehicle	5.6 miles (188.3 each w	A (Advance)	100 xxxxx 44051		**235.38**
Gasoline- City Vehicle					
Parking					
Misc.					
				$ 835.84	**$ 235.38**

** **D=** Direct Vendor Payments, **A=** Advance, **R=** Reimbursement*

*** **2022 IRS rate is 62.5 cents ($0.625)** per mile. Attach documentation used in determining anticipated mileage.*

ESTIMATED COST SUMMARY CONT. (MEALS)

***Note:** Calculation of daily meal per-diem must be in compliance with IRS regualtions using Federal GSA rates. Follow the calculation below to request proper amounts. If meals are included with registration or hotel fees make sure to deduct them from the calculation.*

Account Number:	100 xxxxx 44050			
	Instructions	**Date/ Meal Type**		**Amount**
First Day of Travel:	If two meal periods will be incurred put $55.50:			
	If only one meal period will be incurred use individual meal rates:	6/1/22 Dinner		**34.00**
Full Day of Travel:	Put number of full calendar travel days x $74.00 or deduct meals	6/2/22 Full Day		**74.00**
	included in registration, hotel, or provided by event	6/3 (breakfst/dinner) lunch incl		**56.00**
Last Day of Travel:	If two meal periods will be incurred put $55.50:	6/4 2 meal periods (Breakfast & Lunch)		**55.50**
	If only one meal period will be incurred use rates below:			
Individual Meal Rates: *Breakfast $17.00, Lunch $18.00, Dinner $34.00, $5.00 incidentals ($74.00 full day)*				**$ 219.50**
First & Last Day of Travel: *Calculated at 75% of total daily meals & incidentals.*				
		SUM OF ADVANCES AND PER DIEM OWED TO EMPLOYEE:		**$ 454.88**

APPROVALS

Employee	Date	Authorized Signor	Date
printed employee name	date submitted	Supervisor or Dept Head	date signed

CITY OF SOUTH LAKE TAHOE
TRAVEL EXPENSE AND REIMBURSEMENT FORM
POST TRAVEL REPORTING

This form should be completed in legible handwriting or in Excel using the City's standard template.

EXAMPLE

RECAP OF TRAVEL

Employee Name	Department	Location	Date Left	Date Returned	Total Cost of Travel
First & Last Name	City Department	ABC Conf. San Francisco, CA	6/1/2022	6/4/2022	**$ 1,290.72**

ACTUAL COSTS INCURRED

Description	Vendor	Payment Method*	Account Number	Amount Paid	Amount Due- Attach Itemized Receipts
Registration	ABC Conference	D (Cal Card)	100 xxxxx 44050	$ 100.00	
Air Fare					
Lodging	ABC Hotel	R- Personal Credit Card	100 xxxxx 44050		**$ 735.84**
Rental Car					
Meals**		A- Advanced Per Diem	100 xxxxx 44050	$ 219.50	
Mileage- Personal Vehicle***	376.6 miles (188.3 each way)	A (Advance)	100 xxxxx 44051	$ 235.38	
Gasoline- City Vehicle					
Parking					
Misc.					
				$ 554.88	**$ 735.84**

** **D** = Direct Vendor Payments, **A** = Advance, **R** = Reimbursement*

*** If a per diem was received prior to travel, fill in total received in the amount column.*

**** 2022 IRS rate is .625 per mile. Attach documentation used in determining mileage reimbursement.*

***** All Reimbursements require itemized receipts attached.*

ACTUAL MEAL COSTS INCURRED: **If meal Per Diem was received as an Advance, leave the section below blank.**

Note: *If requesting reimbursement for meals, attach itemized receipts for all meal periods. The City will only reimburse up to the Federal G.S.A Per Diem amounts. $5.00 Per Diem Incidental rate not applicable for Reimbursement.*

DATE	BREAKFAST	LUNCH	DINNER
Individual Meal Rates: *Breakfast $17.00, Lunch $18.00, Dinner $34.00*			**$ -**

SUM OF REIMBURSEMENTS OWED TO EMPLOYEE: **$ 735.84**

APPROVALS

Employee	Date	Authorized Signor	Date

FINANCIAL MANAGEMENT TRAVEL POLICY

These guidelines establish the basic policies and procedures for **overnight** travel on City business. All City employees and City officials traveling for City business purposes are responsible for knowing and following this policy.

Table of Contents

This Policy is organized into the following seven sections:

1. General Standards 2

2. Travel Authorization 3

Out-of-State Travel 3

2.1 Delegation of Authority 3

***2.2* Allowable Expenses** 3-4

3. Planning an Official Trip 4

3.1 Compensation 4

3.2 Registration 4

3.3 Transportation 4-5

3.4 Lodging 5

3.5 Meals 5-6

3.6 Prohibited Expenses 6

3.7 Personal Travel 7

3.8 Illness While Traveling 7

4. Payments and Reimbursements 7

4.1 Payment Options 7-8

5. Final Accounting and Reconciliation 8

5.1 Maintaining Documentation 8

*** Missing or Lost Receipts** 8

5.2 Expense Reporting 8-9

6. Falsification of Expenses 9

7. Forms and Publications 9

7.1 IRS Publications 9

Travel Authorization & Advance Form (T.A.A.) Prior to Travel EXAMPLE 10

Travel Expense & Reconciliation Form(T.E.R.) Return Travel EXAMPLE 11

1. GENERAL STANDARDS:

The purpose of this policy is to document allowable business travel expenses eligible for reimbursement. These include necessary and reasonable expenses as defined under Section 162 of the Internal Revenue Code for purposes of Federal and State Income Tax Laws. This policy applies to all travel expenses regardless of the source of funds.

"Out-of-town travel" means travel on City business away from the normal workplace or residence and requires an overnight stay. Out-of-town travel expenses include transportation, meal and incidental per diem, lodging, and other travel related allowable expenses.

"Out-of-State travel" means overnight travel to a location outside of the State of California.

Adoption and Implementation: The City Council is responsible for adopting the City's Travel Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts. Updates to Per Diem and Mileage rates may be made periodically in accordance with Federal General Services Administration (G.S.A) established rates.

Public Records Requirement: All documents related to reimbursable City travel expenditures are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

Travel Authorization and Advance Form (T.A.A.): this form is located in Public Folders/ Finance Department/ Travel. This form must be completed and approved ***prior*** to scheduling or paying for any expenses related to the travel, including reservations. Upon approval, submit this form to Accounts Payable for advance payment and/or record retention.

Travel Expense and Reconciliation Form (T.E.R.F.): this form is located in Public Folders/ Finance Department/Travel. This form must be completed and approved upon return from travel. This form is used to reconcile all expenses. Upon approval, submit this form to Accounts Payable for reconciliation of expenses and record retention.

Employees and City Officials are responsible for exercising good judgment in requesting, arranging, and reimbursing a business trip. Accordingly, the basic standard that should prevail is to provide prudent stewardship of public funds and the City's resources.

2. TRAVEL AUTHORIZATION:

All employees must receive authorization for travel from their Department/Division Head prior to scheduling a trip. Authorization may be granted when travel funds are available in the Department's approved budget. All employees must have the Travel Authorization and Advance (T.A.A) Form completed and signed by their Department or Division Head ***prior*** to booking or paying for travel.

"Out-of-State" travel must be approved by the City Manager prior to scheduling a trip. Either attach an approval email to your Travel Authorization form or obtain the City Manager's approval signature on the T.A.A. Form.

Requests for advances, per diem for meals and incidentals, and support for all expenses directly paid to the vendor must be included on the approved T.A.A Form.

2.1. DELEGATION OF AUTHORITY

Finance Director for:	City Manager
City Manager approves for:	Direct Report Employees, Department Heads, & City Clerk/ Elected Officials
Department Heads approve for:	Division Managers, City Employees
Division Managers approve for:	Direct Report Employees

The Authorized Signor is responsible for determining the cost to be reasonable and justified, assuring the following:

1. The purpose cannot be accomplished by internet, mail, or telephone.
2. The seminar, meeting, or conference is necessary to accomplish key City goals/objectives and is unavailable locally if overnight accommodations are required.
3. The minimum number of City staff members will be going.
4. The itinerary ensures accomplishment of the purpose at the lowest reasonable cost.
5. The traveler understands and follows these guidelines.
6. There is enough budget in the appropriate travel line item to cover the costs.
7. A Travel Expense Reconciliation Form with all substantiated receipts will be submitted.

2.2. ALLOWABLE EXPENSES

Expenses incurred in connection with the following activities generally constitute authorized expenses when guidelines of this policy are met:

1. Communicating with representatives of regional, state, and national government on City adopted policy positions.
2. Serving on professional organizational/governmental committees, boards, or task forces.
3. Attending educational seminars, conferences, or organized educational activities

designed to improve skill levels or provide information on topics important to City policy and operations.

4. Preparing research for City projects or implementing adopted City plans, policies, goals, or programs.
5. Attending meetings involving activities or decisions important to City interests and are consistent with adopted plans, policies, goals, or programs.
6. Attending events where the City is a formal sponsor or participant, or in performance of official duties for the City.
7. Communicating with individuals or representatives of community groups on policy positions adopted by or under consideration by the City.
8. Engaging in other business-related activities with a direct connection to the implementation of adopted City plans, policies, goals, or programs.

3. PLANNING AN OFFICAL TRIP:

3.1 COMPENSATION

When travel time exceeds the normal work week and the operating MOU allows, the City's rules for overtime apply. In determining overtime compensation, normal commute time should be deducted from the total time traveled. Additionally, normal unpaid meal periods are not considered work time when traveling. Overtime eligibility applies equally to drivers and passengers and should be granted whether the travel occurs during normal workdays, weekends, or evenings.

3.2 REGISTRATION

Fees charged for registration at a convention, meeting, or training are reimbursable with prior approval. Registration fees can be paid with a Cal-Card, requested as an advance with documentation of published rate, or reimbursed with itemized receipt if the employee pays for the registration on their own.

3.3 TRANSPORTATION

Transportation at the Destination- Use of public transit such as intercity trains, buses, streetcars, or ridesharing etc. is appropriate. If a car rental is required, attach a quote from the most reasonably priced rental car company for an advance check, use your Cal Card for payment, or attach an itemized receipt for reimbursement.

Air Travel- All air travel on City business should be coach class. Compare airline carriers prior to making reservations to ensure the most competitive rates are available to the City.

- ***Reminder, out-of-state travel must be pre-approved by the City Manager***

Traveling by Automobile- Traveling by a City vehicle is the most ideal. If one is not available or a personal car is preferred, approval of the Authorized Signor is required.

City Vehicle: When using a city vehicle, reimbursement for gas expenses is appropriate. Due to liability concerns, non-City employees/officials including spouses, children, and guests should not ride as passengers in City vehicles.

Personal Vehicle: When using a personal vehicle for travel; reimbursement at the current approved IRS Mileage rate (2023 rate of 65.5 cents per mile) will be provided. "Google Maps" or other mapping sites must be used in determining mileage reimbursements. The City will not reimburse for non-business-related mileage such as a personal stop or an indirect route taken for personal reasons.

Mileage in-lieu of Commercial Carrier Costs: In the event a commercial carrier such as an airplane would otherwise be the preferred mode of transportation, but a personal car is preferred (subject to the approval guidelines set forth above), mileage will be reimbursed up to the cost of a commercial carrier.

To drive a privately-owned vehicle on City business it is required to:

1. Possess a valid license to drive in California.
2. Carry liability insurance limits required by Human Resources with the City named as additional insured.
3. Realize that any damage to the car or needed service/repair occurring on the trip will be your responsibility as these costs are included in the City's per mile cost reimbursement.

3.4 LODGING

Accommodations- The City will pay for a single room (including taxes and parking) for as many nights as necessary. The accommodations used should be economical but practical. In general, choose the most reasonably priced accommodations available consistent with the purpose, goals, and convenience of travel.

Canceling a Reservation- Cancel any reservation that cannot be used. If the City is charged for an unused reservation, the employee will pay the charge unless circumstances requiring cancellation were reasonably beyond control and approved by the Authorized Signor.

3.5 MEALS

Please note: Procurement cards (CAL-Card), or Petty Cash, cannot be used for meals while traveling. There are no exceptions. (Please see Section 8 of the Cal-Card User Handbook). Refer to Finance Policies – Cash, for disbursement of Petty Cash requirements.

To qualify for meal allowance:

1. Travel must be to an **overnight** destination outside of the City limits.
2. Meal expenses will be paid on a not to exceed per diem rate while traveling on official business as published by the Federal Government gsa.gov website under Per Diem Rates.

3. The per diem will generally be paid in advance of travel (receipts not required). Where a timely per diem request is not submitted (within 10 days prior to travel) and/or as determined by the employee's department head; a reimbursement of meal expenses may be submitted after travel (**requires submittal of receipts**).
4. Reimbursement in excess of allowable standard Federal Per Diem rate is taxable and must be reported on an employees' W-2 as wages. Therefore, under no circumstances may the cost of meals exceed the per diem rates allowed under this policy. **Employee is responsible for meal costs above current approved per diem rate.**
5. Employees may not claim meals provided by the event or included in hotel costs or conference fees.
6. Meals must be accounted for upon your return on the Travel Expense and Reconciliation (T.E.R) Form. No receipts are required for advance per diem payments. **All reimbursed meal expenses REQUIRE attached receipts.**

Current Per Diem rates for 2023 for South Lake Tahoe are as follows:
Breakfast: $17.00
Lunch: $18.00
Dinner: $34.00
Incidental Expenses: $5.00 (payable full day)
Total M&IE allowable payment for a full day (excess of 12 hours): $74
First & Last Day of Travel (less than 12 hours): $55.50*

* per GSA allowable Per Diem rates, the first and last day of travel may be received at 75% of total M&IE, this amount is only allowed on first and last travel days.

Rates are subject to change per Federal Government General Services Administration (GSA) www.gsa.gov/perdiem.

3.6 PROHIBITED EXPENSES

Examples of prohibited expenditures include but are not limited to:

- Alcohol/narcotics
- Toiletries/medicines
- Car repair/traffic citations (parking tickets, toll fines)
- Credit card interest charges
- Pet hotel fees, Health club fee/ spa treatments
- Fees for upgrades of air, hotel, or auto
- Headphones or extra incidentals on airlines
- Laundry/dry cleaning
- Movies/entertainment (in-room or off-site)
- Sporting events, theater, or cinema
- Personal expenses/spouse or guest expenses

3.7 PERSONAL TRAVEL

If time is taken away from official business for personal matters, or return is delayed after completing the business trip, reimbursement will not be provided for expenses incurred during that time. Pre-approval is required when combining business and personal travel. If this extended period occurs during regular scheduled work hours, the time will be counted as vacation, comp time, paid time off, or leave without pay.

3.8 ILLNESS WHILE TRAVELING

Should an employee/official become sick or ill during a travel business trip, reimbursement will be provided for necessary additional living expenses (except those directly related to your illness, such as physician or hospital costs) until the employee can return home.
Employees are required to notify the supervisor or Authorized Signor as soon as possible of becoming ill. If applicable, the time will be counted as sick leave or paid time-off during your normally scheduled work hours.

4. PAYMENTS AND REIMBURSEMENTS:

The City will pay all legitimate expenses of your trip or meeting. These include transportation, lodging, registration fees, meals and any other related expenses such as parking, baggage fees, and bridge tolls **if they are for official business and within the guidelines of this policy.**

4.1 PAYMENT OPTIONS

Direct Vendor Payments: Direct payments made by the City to an organization to pay for specific costs related to a trip, usually registration fees, lodging and airfare. To obtain direct vendor payments, complete the appropriate sections of the T.A.A. Form and attach payment information for all direct payments. Retain a copy of the completed form to assist in reconciling actual expenses.

Cal Cards may be used to pay vendors directly for travel expenses, upon approval with completed T.A.A from. Receipt of payment on a Cal Card must be submitted with both the Travel Expense and Reconciliation (T.E.R.) Form and Cal Card Statement. Attach a copy of your T.A.A form to your Cal Card statement, when paying for travel expenses (including hotel reservations) with your Cal Card.

Payment for travel meals on a Cal Card is prohibited.

Cash Advances: Advance payments can be provided to an employee prior to travel to cover expenses including per diem for meal expenses, Hotel Registration, Transportation etc. To request cash advance, the Authorized Signor must review the amount ensuring it is reasonable and within the current Approved Per Diem Rates and department budget.

Employees must submit a T.E.R. Form to Accounts Payable with final reconciliation

documenting all expenses and attaching receipts. Meals must be accounted for although receipts are not required if the employee received a per diem advance.

Reimbursements: Upon return, account for all expenses incurred on the T.E.R. Form attach substantiated receipts for all expenses and obtain proper approval from the Authorized Signor. **Reimbursement of Meals requires itemized receipts.** Reimbursements will be processed within ten (10) days of submittal to Accounts Payable.

Petty Cash cannot be used for Travel Costs. Refer to Financial Policies- Cash, for disbursement of Petty Cash requirements.

5. FINAL ACCOUNTING AND RECONCILIATION:

5.1 MAINTAINING DOCUMENTATION

- Maintain a detailed record of all expenses incurred during travel: meals, transportation/mileage, lodging, car rentals, parking fees, registration fees, and any other reasonable and necessary expenses to assist with final reconciliation.
- Detailed receipts must be submitted for all expenses except when receiving advanced per diem for meals. Failure to provide such documentation will result in denial of reimbursement.

Missing or Lost Receipts:

Reimbursement of expenses without receipts becomes taxable income. Therefore, the city will not reimburse employees without receipts. In the event receipts are not available, provide a written explanation to your Department Head, include a full description of the cost of the expense and reason the receipts are missing. IRS requires the name of the establishment, the date of service, description of items/meals/service purchased, amount paid, include tax if applicable. If you used a personal credit or debit card, provide a copy of the bank transaction. This written explanation must be approved by the Department Head and submitted to the Finance Director for approval. Once approved, submit this documentation with your T.E.R. Form to Accounts Payable. The City reserves the right to require additional approval of the City Manager, where necessary or deny the reimbursement.

5.2 EXPENSE REPORTING

Within 10 days of return, employees must submit a T.E.R. Form to Accounts Payable with final reconciliation and receipts documenting all expenses. Failure to return this form will result in repayment to the City of any advanced funds and/or denial of reimbursement for expenses not accounted for in this manner.

Per IRS Section 15: to be excluded from taxable wages your T.E.R Form must include the

following:

- The business purpose of the trip
- The date and place of the trip
- Receipts for lodging, and all travel expenses
- Receipts for meals if requesting reimbursement

Authorized Signor approving expense reports are responsible to ensure:

1. All expenses are reasonable, necessary and consistent with this policy.
2. All required itemized receipts are attached.
3. The final reconciliation is correct (balance due employee; balance due City).
4. Amounts due to the City are reimbursed within 10 days.
5. Final accounting on T.E.R. Form is submitted to Finance.

6. FALSIFICATION OF EXPENSES:

Submitting fraudulent receipts or falsifying a Travel Expense Reconciliation Form will result in loss of reimbursement privileges and may lead to disciplinary action up to and including termination of employment.

The City of South Lake Tahoe reserves the right to deny reimbursement of expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances may be approved by the City Manager, if those expenses do not violate Federal or State requirements and when in the City Manager's judgment, such expenses are justified. These expenses must be submitted on a Travel Expense Reconciliation Form supported by documentation and written explanation of circumstances, signed by Department Head, Finance Director, and City Manager.

7. FORMS AND PUBLICATIONS:

The following forms are required when traveling for City business:

1. Prior to booking and paying for travel: Travel Authorization and Advance Form (T.A.A.F.).
2. Return from travel: Travel Expense and Reconciliation Form (T.E.R.F.).
3. Examples to assist in filling out these forms is located on the next page.
4. Blank forms are located in Outlook, Public Folders, Finance Dept., Travel-Training Polices. Updated Aug. 2023.

7.1 INTERNAL REVENUE SERVICE (IRS)

For additional information or clarification, refer to the following IRS publications.

- IRS Publication 15-B, Employers Tax Guide to Fringe Benefits for tax reporting requirement
- IRS Publication 463, Travel, Entertainment, Gift and Car Expenses

- IRS Publication 5318, Tax Cuts and Jobs Act, tax reform 2017

Financial Management - Travel Policy

CITY OF SOUTH LAKE TAHOE
TRAVEL AUTHORIZATION AND ADVANCE FORM
PRE-TRAVEL REPORTING

This form should be completed in legible handwriting or in Excel using the City's standard template prior to booking or paying for travel.

EXAMPLE

PURPOSE OF TRAVEL

Attend the 2023 Annual ABC Conference in San Francisco, CA to learn of recent developments in xxxxxxxxx to assist my department in xxxxxxx. Conference begins 9:00 AM on Juned 2nd and ends 12:00 AM on June 4th.

Employee	Department	Position
First & Last Name	City Department	Employee Title

Destination	No. of Days (including first/last)	Total Cost of Travel
San Francisco, CA	3	**$ 1,297.69**

ITINERARY

Departure From:	Date/Time	Arrival To:	Date/Time
City Offices, address	6/1/2023 12:30	San Francisco, ABC Hotel	6/1/2023 16:30

ESTIMATED COST SUMMARY

Description	Vendor	Payment Method*	Account Number	Paid/ Reimb	Advance
Registration	ABC Conference	D (Cal Card)	100 xxxxx 44050	$ 100.00	
Air Fare	N/A				
Lodging	Hotel 3 nights + park	R (Reimbursement)	100 xxxxx 44050	$ 735.84	
Rental Car	N/A				
Mileage- Personal Vehicle	185 miles x 2 x 0.655	A (Advance)	100 xxxxx 44051		**242.35**
Gasoline- City Vehicle					
Parking					
Misc.					
				$ 835.84	**$ 242.35**

* ***D***= *Direct Vendor Payments,* ***A***= *Advance,* ***R***= *Reimbursement*

** ***2023 IRS rate is 65.5 cents ($0.655)*** *per mile. Attach documentation used in determining anticipated mileage.*

ESTIMATED COST SUMMARY CONT. (MEALS)

Note: *Calculation of daily meal per-diem must be in compliance with IRS regulations using Federal GSA rates. Follow the calculation below to request proper amounts. If meals are included with registration or hotel fees make sure to deduct them from the calculation.*

Account Number:	100 xxxxx 44050			
	Instructions	**Date/ Meal Type**		**Amount**
First Day of Travel:	If two meal periods will be incurred put $55.50:			
	If only one meal period will be incurred use individual meal rates:	6/1/22 Dinner		**34.00**
Full Day of Travel:	Put number of full calendar travel days x $74.00 or deduct meals	6/2/22 Full Day		**74.00**
	included in registration, hotel, or provided by event	6/3 (breakfst/dinner) lunch incl		**56.00**
Last Day of Travel:	If two meal periods will be incurred put $55.50:	6/4 2 meal periods (Breakfast & Lunch)		**55.50**
	If only one meal period will be incurred use rates below:			
Individual Meal Rates: *Breakfast $17.00, Lunch $18.00, Dinner $34.00, $5.00 incidentals ($74.00 full day)*				**$ 219.50**
First & Last Day of Travel: *Calculated at 75% of total daily meals & incidentals.*				
		SUM OF ADVANCES AND PER DIEM OWED TO EMPLOYEE:		**$ 461.85**

APPROVALS

Employee	Date	Authorized Signor	Date
printed employee name	date submitted	Supervisor or Dept Head	date signed

CITY OF SOUTH LAKE TAHOE
TRAVEL EXPENSE AND REIMBURSEMENT FORM
POST TRAVEL REPORTING

This form should be completed in legible handwriting or in Excel using the City's standard template.

EXAMPLE

RECAP OF TRAVEL

Employee Name	Department	Location	Date Left	Date Returned	Total Cost of Travel
First & Last Name	City Department	ABC Conf. San Francisco, CA	6/1/2023	6/4/2023	**$ 1,297.69**

ACTUAL COSTS INCURRED

Description	Vendor	Payment Method*	Account Number	Amount Paid	Amount Due- Attach Itemized Receipts
Registration	ABC Conference	D (Cal Card)	100 xxxxx 44050	$ 100.00	
Air Fare					
Lodging	ABC Hotel	R- Personal Credit Card	100 xxxxx 44050		**$ 735.84**
Rental Car					
Meals**		A- Advanced Per Diem	100 xxxxx 44050	$ 219.50	
Mileage- Personal Vehicle***	370 miles -185 x 2 x $0.655	A (Advance)	100 xxxxx 44051	$ 242.35	
Gasoline- City Vehicle					
Parking					
Misc.					
				$ 561.85	**$ 735.84**

** **D** = Direct Vendor Payments, **A** = Advance, **R** = Reimbursement*

*** If a per diem was received prior to travel, fill in total received in the amount column.*

**** 2023 IRS rate is .655 per mile. Attach documentation used in determining mileage reimbursement.*

***** All Reimbursements require itemized receipts attached.*

ACTUAL MEAL COSTS INCURRED: **If meal Per Diem was received as an Advance, leave the section below blank.**

Note: *If requesting reimbursement for meals, attach itemized receipts for all meal periods. The City will only reimburse up to the Federal G.S.A Per Diem amounts. $5.00 Per Diem Incidental rate not applicable for Reimbursement.*

DATE	BREAKFAST	LUNCH	DINNER
Individual Meal Rates: *Breakfast $17.00, Lunch $18.00, Dinner $34.00*			**$ -**

SUM OF REIMBURSEMENTS OWED TO EMPLOYEE: **$ 735.84**

APPROVALS

Employee	Date	Authorized Signor	Date

Financial Policies:
Preserving Capital Investments - Fixed Assets
Capitalization and Inventory Control Policy

The City invests in capital assets such as property, plant, equipment, facilities and infrastructure. Preservation of such investments through regular maintenance and a long-term renovation plan is necessary to preserve the value of such capital investments. The City must also plan for the replacement of capital investments (particularly vehicles and equipment). The following policy requirements are intended to ensure the proper accounting and preservation of capital investments; and to provide a sound economic base for their replacement.

1. The budget should provide sufficient funding for adequate maintenance, renovation and the orderly replacement of capital assets such as equipment, fleet, facilities, streets and parks.

2. All capital assets should be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs.

3. A five-year schedule of equipment replacement and maintenance needs, as well as facilities, streets and parks renovation and maintenance needs should be prepared on an annual basis. Expenditures consistent with such plans shall be included in annual budget appropriations.

A. Capital Assets Definition, Classes, and Capitalization Thresholds

The City defines capital assets as any assets used in operations with an estimated useful life in excess of three years that have a value equal to or greater than the capitalization threshold for their respective asset class.

The Asset Classes and Capitalization Thresholds have been established as follows:

Asset Class	Threshold
Land	$50,000
Buildings/Building Improvements	$50,000/$7,000
Improvements Other Than Buildings	$7,000
Vehicles, Machinery, Specialty and Office Equipment	$7,000
Intangibles	$100,000
Infrastructure	$200,000
Construction in progress	$50,000
Lease purchase assets	Use threshold for the appropriate asset class

The threshold will generally not be applied to components of fixed assets.

1. Cost of Capital Assets

Capital Assets are recorded at historical cost or estimated historical cost if purchased or constructed. The cost should include ancillary charges necessary to place the asset into its intended location and condition for use. Items to include in the cost of capital asset are as follows:

- Original contract or invoice price
- Freight and transportation charges
- Handling and storage charges
- In-transit insurance charges
- Sales, use, and other taxes imposed on the acquisition
- Installation charges
- Charges for testing and preparation for use
- Site preparation costs
- Professional fees
- ~~Capitalized interest should be included in the cost of a proprietary fund asset when it meets the criteria of Financial Accounting Standards Board No. 34.~~

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Donated capital assets are valued at their fair value on the date of donation.

2. Depreciating Capital Assets

Property, plant and equipment, depreciable infrastructure and intangible assets of the City shall be depreciated using the straight-line method and applying the half-year convention method over the following useful lives.

Asset Class	Years
Buildings/Building Improvements	10-40
Improvements Other Than Buildings	3-10
Vehicles, Machinery, Specialty and Office Equipment	3-20
Intangibles (subject to depreciation/amortization)	As limited by contractual or legal provisions.
Infrastructure	10-40

It is the City's policy that capital assets have no residual value at the end of their lives. Land, Construction-in-Progress and certain intangible assets are not depreciated. If the asset is disposed of before the end of its useful life, a half-year of depreciation is allowable for the year of disposition.

3. Capital Assets Classes

Land

The surface of the earth, which can be used to support structures and roadways. Land is characterized as having an unlimited life (inexhaustible). Includes the cost of land itself and the cost of preparing land for its intended uses. Examples of items that might be capitalized as part of the cost of land include basic site improvements (e.g., excavation, fill, and grading), as well as the cost of removing, relocating, or reconstructing the property of others (e.g., power lines).

Buildings and Building Improvements

A structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable.

Improvements to existing buildings that materially extend the useful life of a building, increase the value of a building, or both should be capitalized. The improvement must meet one of the following criteria:

- The improvement adds square footage to the existing building.
- The improvement is a major renovation that prepares an existing building for a new use.
- The improvement expenditure increases the life or value of the building by 25 percent of the original life or cost.

The cost of an improvement (or betterment) normally is added to the cost of the related structure, rather than treated as a separate asset.

Examples of expenditures to be capitalized as building improvements are as follows:

- Replacement of an old shingle roof with a new fireproof tile roof
- Upgrade of heating and cooling systems
- Structures attached to the building such as covered patios, sunrooms, garages, carports, enclosed stairwells, etc.
- Structural changes such as reinforcement of floors or walls, installation or replacement of beams, joists, steel grids, or other interior framing.

The following are examples of expenditures not to capitalize as improvements to buildings. Instead, these items should be recorded as maintenance expense:

- Adding, removing and/or moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value or life of the building

- Plumbing or electrical repairs
- Cleaning, pest extermination, or other periodic maintenance
- Interior decoration, such as draperies, blinds, curtain rods, wallpaper
- Maintenance-type interior renovation, such as repainting, touch-up, plastering, replacement of carpet, tile, or panel sections; sink and fixture refinishing, etc.
- Maintenance-type exterior renovation such as repainting, replacement of deteriorated siding, roof, or masonry sections
- Replacement of a part or component of a building with a new part of the same type and performance capabilities, such as replacement of an old boiler with a new one of the same type and performance capabilities

Improvements Other Than Buildings

This major asset class is used for permanent (i.e., non-moveable) improvements, other than buildings, that add value to land, but do not have an indefinite useful life. Examples include fences, retaining walls, parking lots, and most landscaping. Moveable items (e.g., picnic table in a park) should be classified as furnishings and equipment.

Vehicles, Machinery, Specialty and Office Equipment

Fixed or movable tangible assets to be used for operations, the benefits of which extend beyond one year from date of acquisition and rendered into service.

Examples of expenditures to be capitalized in this class include but are not limited to:

Vehicles
Computers and servers
Machinery
Furniture and fixtures

Intangible Assets

Intangible assets are characterized as lacking physical form (e.g., computer software, water rights, easements, and patents). Certain intangibles provide benefits indefinitely. In that case, no amortization expense would be recognized. Intangibles with the length of their life limited by contractual or legal provisions should be amortized over the period stated in the provisions.

Easements are interest in land owned by another that entitles its holder to a specific limited use. The estimated value of easements is immaterial and therefore will not be capitalized.

A right-of-way is a type of easement in which title remains with the property owner and therefore is not capitalized.

Infrastructure

Long-lived capital assets that normally are stationary in nature and are of value only to the City. Include, but are not limited to: roads and streets, curbs, gutters, bridges, streetlights, sidewalks, streetscape, bike paths, storm-water drainage improvements, roadway resurfacing, basin and stream environment zone construction, ramps, airfields and runways in Airport Enterprise fund. For the purpose of reporting this major class is separated into subclasses, such as Streets, Bike Paths, Streetscape, Basin and SEZ Construction, and Runways.

Construction in Progress

This major class is used for costs incurred to construct or develop a tangible or intangible capital asset before it is substantially ready to be placed into service. The costs should remain in this category until all retention money has been paid (at which time the asset would be reclassified into the appropriate major class).

B. Capital Assets Accountability and Control

When capital assets are acquired or deeded to the City, copies of related documents shall be routed to the Finance Department in a timely manner to ensure these assets are recorded in the City's financial records.

Department heads are ultimately responsible for safeguarding its fixed assets from theft or loss. However, the Finance Department does recognize and acknowledge its responsibility to establish and maintain systems and procedures that enable department heads and program managers to properly safeguard their assets.

In ***general***, inventory control is applied only to movable fixed assets (generally these falling into the "Vehicles, Machinery and Equipment" category), and not to land, buildings, or other immovable fixed assets. Fixed assets subject to inventory control will be accounted for and controlled through the same systems and procedures used to account and control fixed assets subject to capitalization.

Fixed assets will be subject to inventory control if they meet at least one (1) of the following criteria:

a. The original cost of the fixed asset is equal to or greater than $~~5~~7,000 if classified as equipment, $50,000 if classified as buildings or land, or $200,000 if classified as infrastructure.
b. Any asset less than the capitalization threshold, as recommended by the Finance Director. This may include certain machinery and equipment that, due to portability, value outside of the office, or character, are susceptible to theft and/or loss. It may include computer equipment and electronic

devices such as laptops and iphones, guns, weapons, and other movable items. Also included may be any asset requested by a department to be controlled in order to satisfy an internal (operational) or external requirement. For example, the Finance Department (may wish to) tracks all computer hardware in order to establish replacement and upgrade requirements for both hardware and system software.

c. Any asset required to be controlled and separately reported pursuant to grant conditions or any other externally imposed reporting requirement.

Procedure: The goal is to tag all fixed assets that fall within the above categories without affecting the functionality or value of the product. Tags should be placed on the back of the equipment, somewhere where they can be found, but not necessarily stand out. The fixed asset addition form (**Exhibit I**) should be filled out as much as possible. A complete description of the asset should be obtained showing manufacturer, model, serial #, color and any other identifying criteria. The date purchased and cost should be entered when known. If not known, please estimate and mark (est) after the data. It is understood that logistically some items can not be tagged. These items still need to be inventoried and the information maintained in a department file.

Surplus property shall be identified by the department, officially declared to the City Council, and after approval, sold at auction and eliminated from the fixed asset accountability list. Proceeds from sale of surplus property will be allocated to the City's General fund unless the property was originally purchased with monies from a specific fund, in which case, the proceeds will be returned to that fund.

Accounting for Leases: Leases that do not transfer substantially all the benefits and risks of ownership are operating leases.

Capitalize a lease that transfers substantially all of the benefits and risks of property ownership, provided the lease is non-cancelable (only non-cancelable leases may be capitalized). One or more of four criteria must be met:

1. Transfers ownership to the lessee.
2. Contains a bargain purchase option.
3. Lease term is equal to or greater than 75 percent of the estimated economic life of the leased property.
4. The present value of the minimum lease payments (excluding executor costs) equals or exceeds 90 percent of the fair value of the lease property.

Account Coding: The account coding to be used for the purchase of capital outlay will be as follows:

For items costing $~~5~~7,000 or more (these are considered Fixed Assets) use:

Object code # 46010 – Land
Object code # 46020 – Buildings and Building Improvements

Object code # 46030 – Improvements Other Than Buildings
Object code # 46110 – Machinery & Equipment ($~~5~~7,000)
Object code # 46122 – Software
Object code # 46130 – Vehicles
Object code # 46140 – Furniture and Fixtures

For items costing less than $~~5~~7,000 per unit (these are NOT considered Fixed Assets) use:

Object code # 46120 – Tools, Parts and Leases less than $~~5~~7,000

Attachments:

Exhibit I – Sample of Fixed Asset Addition Form

Financial Policies:
Preserving Capital Investments - Fixed Assets
Capitalization and Inventory Control Policy

The City invests in capital assets such as property, plant, equipment, facilities and infrastructure. Preservation of such investments through regular maintenance and a long-term renovation plan is necessary to preserve the value of such capital investments. The City must also plan for the replacement of capital investments (particularly vehicles and equipment). The following policy requirements are intended to ensure the proper accounting and preservation of capital investments; and to provide a sound economic base for their replacement.

1. The budget should provide sufficient funding for adequate maintenance, renovation and the orderly replacement of capital assets such as equipment, fleet, facilities, streets and parks.

2. All capital assets should be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs.

3. A five-year schedule of equipment replacement and maintenance needs, as well as facilities, streets and parks renovation and maintenance needs should be prepared on an annual basis. Expenditures consistent with such plans shall be included in annual budget appropriations.

A. Capital Assets Definition, Classes, and Capitalization Thresholds

The City defines capital assets as any assets used in operations with an estimated useful life in excess of three years that have a value equal to or greater than the capitalization threshold for their respective asset class.

The Asset Classes and Capitalization Thresholds have been established as follows:

Asset Class	Threshold
Land	$50,000
Buildings/Building Improvements	$50,000/$7,000
Improvements Other Than Buildings	$7,000
Vehicles, Machinery, Specialty and Office Equipment	$7,000
Intangibles	$100,000
Infrastructure	$200,000
Construction in progress	$50,000
Lease purchase assets	Use threshold for the appropriate asset class

The threshold will generally not be applied to components of fixed assets.

1. Cost of Capital Assets

Capital Assets are recorded at historical cost or estimated historical cost if purchased or constructed. The cost should include ancillary charges necessary to place the asset into its intended location and condition for use. Items to include in the cost of capital asset are as follows:

- Original contract or invoice price
- Freight and transportation charges
- Handling and storage charges
- In-transit insurance charges
- Sales, use, and other taxes imposed on the acquisition
- Installation charges
- Charges for testing and preparation for use
- Site preparation costs
- Professional fees

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Donated capital assets are valued at their fair value on the date of donation.

2. Depreciating Capital Assets

Property, plant and equipment, depreciable infrastructure and intangible assets of the City shall be depreciated using the straight-line method and applying the half-year convention method over the following useful lives.

Asset Class	Years
Buildings/Building Improvements	10-40
Improvements Other Than Buildings	3-10
Vehicles, Machinery, Specialty and Office Equipment	3-20
Intangibles (subject to depreciation/amortization)	As limited by contractual or legal provisions.
Infrastructure	10-40

It is the City's policy that capital assets have no residual value at the end of their lives. Land, Construction-in-Progress and certain intangible assets are not depreciated. If the asset is disposed of before the end of its useful life, a half-year of depreciation is allowable for the year of disposition.

3. Capital Assets Classes

Land

The surface of the earth, which can be used to support structures and roadways. Land is characterized as having an unlimited life (inexhaustible). Includes the cost of land itself and the cost of preparing land for its intended uses. Examples of items that might be capitalized as part of the cost of land include basic site improvements (e.g., excavation, fill, and grading), as well as the cost of removing, relocating, or reconstructing the property of others (e.g., power lines).

Buildings and Building Improvements

A structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable.

Improvements to existing buildings that materially extend the useful life of a building, increase the value of a building, or both should be capitalized. The improvement must meet one of the following criteria:

- The improvement adds square footage to the existing building.
- The improvement is a major renovation that prepares an existing building for a new use.
- The improvement expenditure increases the life or value of the building by 25 percent of the original life or cost.

The cost of an improvement (or betterment) normally is added to the cost of the related structure, rather than treated as a separate asset.

Examples of expenditures to be capitalized as building improvements are as follows:

- Replacement of an old shingle roof with a new fireproof tile roof
- Upgrade of heating and cooling systems
- Structures attached to the building such as covered patios, sunrooms, garages, carports, enclosed stairwells, etc.
- Structural changes such as reinforcement of floors or walls, installation or replacement of beams, joists, steel grids, or other interior framing.

The following are examples of expenditures not to capitalize as improvements to buildings. Instead, these items should be recorded as maintenance expense:

- Adding, removing and/or moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value or life of the building

- Plumbing or electrical repairs
- Cleaning, pest extermination, or other periodic maintenance
- Interior decoration, such as draperies, blinds, curtain rods, wallpaper
- Maintenance-type interior renovation, such as repainting, touch-up, plastering, replacement of carpet, tile, or panel sections; sink and fixture refinishing, etc.
- Maintenance-type exterior renovation such as repainting, replacement of deteriorated siding, roof, or masonry sections
- Replacement of a part or component of a building with a new part of the same type and performance capabilities, such as replacement of an old boiler with a new one of the same type and performance capabilities

Improvements Other Than Buildings

This major asset class is used for permanent (i.e., non-moveable) improvements, other than buildings, that add value to land, but do not have an indefinite useful life. Examples include fences, retaining walls, parking lots, and most landscaping. Moveable items (e.g., picnic table in a park) should be classified as furnishings and equipment.

Vehicles, Machinery, Specialty and Office Equipment

Fixed or movable tangible assets to be used for operations, the benefits of which extend beyond one year from date of acquisition and rendered into service.

Examples of expenditures to be capitalized in this class include but are not limited to:

Vehicles
Computers and servers
Machinery
Furniture and fixtures

Intangible Assets

Intangible assets are characterized as lacking physical form (e.g., computer software, water rights, easements, and patents). Certain intangibles provide benefits indefinitely. In that case, no amortization expense would be recognized. Intangibles with the length of their life limited by contractual or legal provisions should be amortized over the period stated in the provisions.

Easements are interest in land owned by another that entitles its holder to a specific limited use. The estimated value of easements is immaterial and therefore will not be capitalized.

A right-of-way is a type of easement in which title remains with the property owner and therefore is not capitalized.

Infrastructure

Long-lived capital assets that normally are stationary in nature and are of value only to the City. Include, but are not limited to: roads and streets, curbs, gutters, bridges, streetlights, sidewalks, streetscape, bike paths, storm-water drainage improvements, roadway resurfacing, basin and stream environment zone construction, ramps, airfields and runways in Airport Enterprise fund. For the purpose of reporting this major class is separated into subclasses, such as Streets, Bike Paths, Streetscape, Basin and SEZ Construction, and Runways.

Construction in Progress

This major class is used for costs incurred to construct or develop a tangible or intangible capital asset before it is substantially ready to be placed into service. The costs should remain in this category until all retention money has been paid (at which time the asset would be reclassified into the appropriate major class).

B. Capital Assets Accountability and Control

When capital assets are acquired or deeded to the City, copies of related documents shall be routed to the Finance Department in a timely manner to ensure these assets are recorded in the City's financial records.

Department heads are ultimately responsible for safeguarding its fixed assets from theft or loss. However, the Finance Department does recognize and acknowledge its responsibility to establish and maintain systems and procedures that enable department heads and program managers to properly safeguard their assets.

In ***general***, inventory control is applied only to movable fixed assets (generally these falling into the "Vehicles, Machinery and Equipment" category), and not to land, buildings, or other immovable fixed assets. Fixed assets subject to inventory control will be accounted for and controlled through the same systems and procedures used to account and control fixed assets subject to capitalization.

Fixed assets will be subject to inventory control if they meet at least one (1) of the following criteria:

a. The original cost of the fixed asset is equal to or greater than $7,000 if classified as equipment, $50,000 if classified as buildings or land, or $200,000 if classified as infrastructure.
b. Any asset less than the capitalization threshold, as recommended by the Finance Director. This may include certain machinery and equipment that, due to portability, value outside of the office, or character, are susceptible to theft and/or loss. It may include computer equipment and electronic devices such as laptops and iphones, guns, weapons, and other movable items. Also included may be any asset requested by a department to be controlled in order to satisfy an internal (operational) or external

requirement. For example, the Finance Department (may wish to) tracks all computer hardware in order to establish replacement and upgrade requirements for both hardware and system software.

c. Any asset required to be controlled and separately reported pursuant to grant conditions or any other externally imposed reporting requirement.

Procedure: The goal is to tag all fixed assets that fall within the above categories without affecting the functionality or value of the product. Tags should be placed on the back of the equipment, somewhere where they can be found, but not necessarily stand out. The fixed asset addition form (**Exhibit I**) should be filled out as much as possible. A complete description of the asset should be obtained showing manufacturer, model, serial #, color and any other identifying criteria. The date purchased and cost should be entered when known. If not known, please estimate and mark (est) after the data. It is understood that logistically some items can not be tagged. These items still need to be inventoried and the information maintained in a department file.

Surplus property shall be identified by the department, officially declared to the City Council, and after approval, sold at auction and eliminated from the fixed asset accountability list. Proceeds from sale of surplus property will be allocated to the City's General fund unless the property was originally purchased with monies from a specific fund, in which case, the proceeds will be returned to that fund.

Accounting for Leases: Leases that do not transfer substantially all the benefits and risks of ownership are operating leases.

Capitalize a lease that transfers substantially all of the benefits and risks of property ownership, provided the lease is non-cancelable (only non-cancelable leases may be capitalized). One or more of four criteria must be met:

1. Transfers ownership to the lessee.
2. Contains a bargain purchase option.
3. Lease term is equal to or greater than 75 percent of the estimated economic life of the leased property.
4. The present value of the minimum lease payments (excluding executor costs) equals or exceeds 90 percent of the fair value of the lease property.

Account Coding: The account coding to be used for the purchase of capital outlay will be as follows:

For items costing $7,000 or more (these are considered Fixed Assets) use:

Object code # 46010 – Land
Object code # 46020 – Buildings and Building Improvements
Object code # 46030 – Improvements Other Than Buildings
Object code # 46110 – Machinery & Equipment ($7,000)
Object code # 46122 – Software
Object code # 46130 – Vehicles

Object code # 46140 – Furniture and Fixtures

For items costing less than $7,000 per unit (these are NOT considered Fixed Assets) use:

Object code # 46120 – Tools, Parts and Leases less than $7,000

Attachments:

Exhibit I – Sample of Fixed Asset Addition Form

The objective of this policy is to establish guidelines for the recognition, measurement, presentation, and disclosure of leases and Subscription-Based IT Arrangements (SBITAs) in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, and GASB Statement No. 96, SBITAs.

A. Definitions

Lease: A contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contracts that meets this definition should be accounted for under the leases guidance, unless specifically excluded in GASB Statement No. 87.

Lease Term: The period during which a lessee has a noncancelable right to use an underlying asset.

Lessee: The entity that obtains the right to use the leased asset.

Lessor: The entity that owns the leased asset and grants the lessee the right to use the asset.

Lease Liability: The lessee's obligation to make lease payments arising from a lease.

Right-of-Use Asset: An asset that represents a lessee's right to use a leased asset during the lease term.

Subscription-Based Information Technology Arrangement (SBITA): a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Subscription Term: Includes the period during which a government has a noncancelable right to use the underlying IT assets.

B. Scope

This policy applies to all leases and subscription-based information technology arrangements entered into by the City of South Lake Tahoe (City), both as a lessee and as a lessor with the following general exceptions:

Transactions excluded from GASB 87

- Leases for intangibles (including computer software), except for sublease of intangible right-to- use leased asset
- Leases for biological assets
- Leases for inventory
- Leases where underlying asset financed with conduit debt, except for underlying asset and conduit debt reported by lessor
- Service concession agreements
- Supply contracts - electric power purchase agreements
- Short-term leases (maximum term 12 months or less, including any options to extend, regardless of their probability of being exercised)
- Contracts that transfer ownership of the underlying asset to the lessee

Transactions excluded from GASB 96

- Purchases of hardware or software an entity acquires through conventional purchase methods, such as outright purchase, capitalization, or financing arrangements.
- The statement does not apply to internal labor costs incurred by the entity for developing, hosting, or maintaining the software.
- If the arrangement is solely for data storage and does not include software functionality, it is excluded from the scope of GASB 96.

C. Recognition and Measurement:

Leases**:**

As a lessee, the City shall recognize a lease liability at the commencement of the lease term measured at the present value of payments expected to be made during the lease term. The City shall reduce the lease liability as payments are made and recognize an outflow of resources for interest on the liability. The lease asset shall be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The City shall amortize the lease asset over the shorter of the lease term or the useful life of the underlying asset.

As a lessor, the City shall recognize a lease receivable and a deferred inflow of resources at the commencement on the lease term measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources shall be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The City shall recognize interest revenue on the lease receivable and revenue from the deferred inflows of resources over the term of the lease.

Capitalization Threshold for Leases: The materiality threshold for GASB 87 leases has been established at $100,000 for both lessee and lessor activities.

SBITAs:

The City shall recognize a right-of-use asset and a corresponding liability at the commencement of the subscription term for subscription-based information technology arrangements that meet the definition of a lease as per GASB Statement No. 96. The subscription liability shall be initially measured at the present value of subscription payments expected to be made over the contract term. Future subscription payments shall be discounted using the interest rate the SBITA vendor charges the City, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. The City shall recognize amortization of the discount on the subscription liability as an outflow of resources.

The subscription asset shall be initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before the commencement of the subscription term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The City shall recognize amortization of the subscription asset as an outflow or resources over the subscription term.

Capitalization Threshold for SBITAs: The materiality threshold for GASB 96 SBITAs has been established at $250,000 or greater in total future lease payments through the SBITA term.

Incremental Borrowing/Implicit Rate: This is an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term. In most cases, the borrowing rate is not stated in the lease; however, it is implied that there is a cost of borrowing the amounts. Due to the sensitivity of assumptions within the borrowing rate, the City will obtain the 5-, 10-, 20- and 30-year generic rated municipal yields from the City's Investment Management company as of September 30th to be used for the current fiscal year (e.g., use 9/30/2022 rates for fiscal year 2022/23) for any new eligible GASB 87 leases and lease amendments and GASB 96 SBITAs.

D. Presentation and Disclosure

The City shall ensure the proper presentation of leases and subscription-based information technology arrangements in its financial statements.

In accordance with GASB 87, the notes to the financial statements shall include a description of leasing arrangements, the amount of lease assets recognized, a schedule of future lease payments to be made, and the total inflows of resources recognized from leases.

In accordance with GASB 96, the notes to the financial statements shall disclose descriptive information about its SBITAs such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of the subscription liability, principal and interest requirements for the subscription liability, and other essential information.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 10

Agenda Item: El Dorado Community Foundation Grant Acceptance

Executive Summary: On October 4, 2022, City Council passed a Resolution to accept a donation of $20,000 from El Dorado Community Foundation. The item before City Council is to accept the grant from El Dorado Community Foundation of $20,000 to support the Park Ranger program and to pass a Resolution to amend the FY 22 - 23 Budget to reflect this grant.

Requested Action / Suggested Motions: Pass a Resolution authorizing the City to (1) execute an Agreement for Funding with El Dorado Community Foundation to accept the Foundation's grant in the amount of $20,000, and (2) amend FY 22/23 budget and accept El Dorado Community Foundation's grant of $20,000 into the Parks Maintenance account 100-04170-36280 (Contributions and Donations) designated to sustain the Park Ranger Program.

Responsible Staff Member: John Stark, Director of Parks & Recreation

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance, Heather Stroud, City Attorney

Attachments:

03-Grant Agreement El Dorado Community Foundation.pdf
02-Resolution-El_Dorado_Community_Foundation_Grant_to_the_Park_Ranger_Program__2_(1).docx
01-Staff_Report_Donation_-_El_Dorado_.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 8, 2023

Title: **Resolution to Accept a Grant of $20,000 from the El Dorado Community Foundation to support the Park Ranger Program**

Location: Parks and Recreation Department, Park Ranger Program

Responsible Staff Member: John Stark, Director of Parks & Recreation 530-542-6197

Background: In 2021, the City embarked on a pilot program to place youth ambassadors in city parks to interact with park users and promote good stewardship to help preserve and protect the environment. In 2022, the city partnered with Lake Tahoe Unified School District to identify the program as part of a workforce development initiative and rebrand the ambassador program as a City managed Park Ranger Program. The intent of the new program was two-fold: 1) To provide job opportunities to local youth and inspire career pathways in natural sciences, environment, sustainable recreation, and park management. 2) To directly interact with park users to educate and inform the public on best practices, park rules, waste management, history, culture and general information. The new program has qualified for pass through grant funding from LTUSD to fund the cost of a Park Ranger Program Coordinator. The Memorandum of Understanding with LTUSD was adopted by City Council on August 9, 2022. On October 4, 2022, City Council passed a Resolution to accept a donation of $20,000 from El Dorado Community Foundation designated to help sustain the Park Ranger Program for 2022-2023 period and implement the program objectives.

On June 13, 2023, El Dorado Community Foundation offered the City a grant in the amount of $20,000 designated to sustain the Park Ranger Program for 2023-2024 period. The item before City Council is to accept the grant from El Dorado Community Foundation of $20,000 to support the Park Ranger program for the period from July 2023 to June 2024 and to pass a Resolution to amend the City's FY 22 - 23 Budget to reflect this grant.

Issue and Discussion: The item before City Council is to accept the grant from El Dorado Community Foundation.

Financial Implications: Authorizes the City to accept the grant from El Dorado Community Foundation in an amount of $20,000 restricted to the Park Ranger Program into the Parks Maintenance account 100-04170-36280 (Contributions and Donations) designated to sustain the Park Ranger Program.

Environmental Considerations: The resolution authorizing the grant award is not a project under CEQA, because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California

Code of Regulations, Section 15378(b)(2) and 15378(b)(4) and is, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Policy Implications: Per Financial Management – Donation policy approved by City Council on September 6, 2022, establish a process for soliciting and accepting contributions, donations, and sponsorships in a manner consistent with Government Accounting Standards.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

August 8, 2023

Authorizing Acceptance of $20,000 Grant from El Dorado Community Foundation designated for the Park Ranger Program

BACKGROUND

A. In Summer 2021, the City collaborated with Lake Tahoe Unified School District (LTUSD), Lake Tahoe Community College (LTCC), and Sierra Nevada Alliance (SNA) to implement a pilot program on city parks and beaches called the Youth Ambassador Program.

B. In Fall 2021, the City and LTUSD established a park ranger program to replace the ambassador program and integrate the program into the City Parks and Recreation Services as part of a workforce development strategy.

C. On January 1, 2022, LTUSD was awarded a Strong Workforce grant in the amount of $688,220 to develop concentrator and completer course for the CTE Forestry and Natural Resources Pathway to attract more diverse student enrollment by use of varied learning experiences. The City is a collaborative partner in the grant award and partners with South Tahoe High School to provide work-based learning opportunities by offering full-time seasonal jobs as Park Stewards.

D. On August 9, 2022, the City and LTUSD entered into a Memorandum of Understanding to continue the Park Ranger Program including authorizing $67,000 of pass through grant funding toward the Park Ranger Program Coordinator salary.

E. On September 3, 2022, El Dorado Community Foundation offered the City a $20,000 cash donation designated to help sustain the Park Ranger Program.

F. On October 4, 2022, City Council authorized acceptance of the $20,000 cash donation designated to help sustain the Park Ranger Program for 2022-2023 period.

G. On June 13, 2023, El Dorado Community Foundation offered the City a grant in the amount of $20,000 designated to sustain the Park Ranger Program for 2023-2024 period.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Authorizes the City to amend FY 22/23 budget and accept El Dorado Community Foundation's grant in the amount of $20,000 into the Parks Maintenance account 100-04170-36280 (Contributions and Donations) designated to sustain the Park Ranger Program.
2. Authorizes the City to execute an Agreement for Funding with El Dorado Community Foundation to accept the Foundation's grant in the amount of $20,000.

Adopted by the City of South Lake Tahoe City Council on August 8, 2023 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

El Dorado Community Foundation

AGREEMENT FOR FUNDING

This Agreement for Funding, entered between El Dorado Community Foundation (Community Relief Fund) and City of South Lake Tahoe Department of Parks and Recreation, is subject to the following terms & conditions:

1. The Grant period is July 1, 2023- June 30, 2024_.

2. The amount of the Grant is $20,000.

3. Grant funds are **restricted** to the "Park Ranger Program" detailed in your application. If any changes need to be made, the City of South Lake Tahoe Department of Parks and Recreation must reach out to EDCF **prior** to making the change to determine if alterations to the grant will be allowed.

4. Grant funds not expended by June 30, 2024, will be returned to El Dorado Community Foundation unless prior arrangements have been made in writing with the EDCF Community Impact Officer and approved by the EDCF Board. The City of South Lake Tahoe Department of Parks and Recreation must reach out to EDCF for assistance in this matter.

5. The City of South Lake Tahoe Department of Parks and Recreation agrees to maintain records of receipts & expenditures & to make its books & records available to the El Dorado Community Foundation at reasonable times.

6. The City of South Lake Tahoe Department of Parks and Recreation agrees to submit a final grant report no later than July 15, 2024. No more funds will be dispersed to the City of South Lake Tahoe Department of Parks and Recreation until all reporting requirements are made to EDCF. A template will be provided by the Foundation a month before the report is due.

Please have an authorized representative sign this agreement, which indicates acceptance of these terms, and return a signed copy **via email to kathy@eldoradocf.org**. We appreciate the opportunity to assist you in this important work and look forward to learning of your progress!

Dated: 6/21/23

City of South Lake Tahoe Department of Parks and Recreation

Address to Send Check: 1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Signature: John Stark

Print Name: John Stark

Email address: jstark@cityofslt.us

Dated: _____

El Dorado Community Foundation

By: _____, William J. Roby, Executive Director

Amended & updated on Nov. 19, 2020

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 11

Agenda Item: Professional Services Agreement with CentralSquare Technologies LLC. to provide property information and permit management software and Professional Services Agreement with HdL Companies to provide business licensing and transient occupancy tax administration software.

Executive Summary: The City is proposing to replace and upgrade its CommunityPLUS software to increase efficiency of permit application processing, improve document management and retrieval, provide real time workflow data and status, integrate with other software systems, and provide a public portal for application submittal and real time status information. After conducting an evaluation of proposals, City staff is recommending a service contract with CentralSquare Technologies LLC to provide Community Development permitting software and a service contract with HdL Companies to provide business license and Transient Occupancy Tax license and revenue management.

Requested Action / Suggested Motions: Pass a resolution: (1) authorizing and directing the City Manager to execute the Software and Professional Services Agreement with CentralSquare Technologies, LLC in the amount of $279,475 including one-time implementation cost and first year annual maintenance fee of $72,600 (subject to 3% increase for year two, 4% for year three and 5% year over year thereafter) for Community Development Software Implementation for the five year initial term which will automatically renew for additional successive one year terms thereafter; (2) authorizing corresponding budget appropriations transferring a total of $279,475 from Long Term Building Permit Fees account 271-03110-50014 into Software/Hardware Capital Project account 301-70008-46122; and (3) authorizing and directing the City Manager to execute the Software and Professional Services Agreement with HdL in the amount of $76,500 for one-time implementation cost and $22,000 for first year annual subscription fee for Prime Cloud Software Implementation for twelve months initial term which will automatically renew for successive twelve months terms thereafter.

Responsible Staff Member: Hilary Roverud, Director of Development Services, Olga Tikhomirova, Director of Finance

Reviewed and Approved By: Susan Blankenship, City Clerk Heather Stroud, City Attorney

Attachments:

02-Resolution-Revenue_Software_purchase.docx
03-Central_Square_Agreement.docx
04-HdL PSA and Agreement.pdf
01-Staff_Report_-_Revenue_Software_Purchase_and_Solutions_Agreement.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 8, 2023

Title: Professional Services Agreement with CentralSquare Technologies LLC. to provide property information and permit management software and Professional Services Agreement with HdL Companies to provide business licensing and transient occupancy tax administration software.

Location: Citywide

Responsible Staff Members: Hilary Roverud, Director of Development Services
Olga Tikhomirova, Director of Finance

Background: The City Strategic Plan includes a strategic priority to "utilize modern technology to do more work digitally in order to improve efficiency and access to services." Implementation of this priority includes upgrading the City's current "CommunityPLUS permit tracking software to provide robust opportunities to increase workflow efficiencies and provide customer access to real time status and permit information."

The City currently utilizes CommunityPLUS version 9.1 (SunGard Public Sector, currently CentralSquare) to track planning and building permit applications, business licenses, inspections, application review, permit fees, building code enforcement cases, land data, and related entity information. The CommunityPLUS software has been used by the City for over 20 years and has become outdated, is no longer supported with security or functional upgrades, and does not provide many service features available with modern software. Modern software systems commonly utilized by cities and counties can provide increased efficiency of permit application processing, improved document management and retrieval, real time workflow data and status, integrates with other software systems, and provides a public portal for application submittal and real time status information.

Issue and Discussion: In January the City initiated a Request for Proposals process to evaluate proposed software upgrade solutions and received nine proposals. A committee of City staff from Development Services, Finance, and Information Technology evaluated each proposal and selected four vendors to be invited to a demonstration and interview. City staff also contacted current clients of each of the vendors to solicit feedback on the effectiveness of the software and customer service. Ultimately, CentralSquare Technologies LLC was selected as the recommended vendor for property management and permit tracking and HdL was selected for business licensing and transient occupancy tax payments management. The primary reason

for selecting two different software solutions is that the CentralSquare's solution does not offer the transient occupancy tax administration module.

CentralSquare's Community Development software provides integrated property management and permit tracking features including:

- Cloud hosted data storage, management and security
- Property data management
- GIS Integration
- Online citizen portal
- Online public portal for application submittal and information retrieval
- Permit application and digital review tracking
- Inspection tracking and mobile (in the field) data entry
- Central entity directory and accounts for architects, engineers and contractors
- Customer service response management
- User dashboards for real time workflow management

This software solution will offer advanced features and functionalities, allowing us to improve the overall management of development projects and expedite the permit issuance process. By implementing this software, staff aims to enhance customer service, reduce processing times, and provide a seamless experience for our community members. The upgrade of the permitting side of the CommunityPLUS to CentralSquare's Community Development is estimated to take approximately 12 months from the initiation phase.

HdL has performed software installations for over 200 City business licenses tax departments in California. HdL's Prime local tax software provides a business licensing and transient occupancy tax administration solution that includes:

- Business license fee collection and renewal processing
- Transient Occupancy tax assessment and collection
- Online services including reporting, application, renewal and payment processing
- Streamlined workflow to coordinate communication with various departments
- Additional taxes/assessments and collection
- Optional monitoring and auditing license activity and transient occupancy tax payments

HdL has 40 years of experience providing revenue management and consulting services to local government and is highly unique as a municipal software provider, offering top tier municipal finance expertise, services and support, in addition to the software solution. The upgrade of business license and transient occupancy tax side of the CommunityPLUS is estimated to take approximately 3 months.

Financial Implications: One-time costs for implementation of CentralSquare's Community Development software totals $206,875.00 and the first year subscription fee is $72,600.00 with 3% increase in year two, 4% for year three and 5% year over year thereafter for a total subscription cost over five years of $392,545. These expenses will be paid utilizing revenues generated from building permit fees. Use of building permit fees to improve permitting services is consistent with CA Government Code Section 66020 which requires a nexus between the amount of fees collected and services provided. The accompanying resolution appropriates budget for one-time implementation cost and the first year subscription fee transferring a total of $279,475 from Long Term Building Permit Fees account 271-03110 into Software/Hardware Capital Project account 301-70008. The future annual subscription fees of $72,600 (plus increases) during the initial five year term and thereafter will be budgeted for annually in the Long Term Building Permit Fee operating account 271-03710-46122 Software Purchases

One-time costs for implementation of HdL software total $76,500 and annual subscription fees total $22,000 subject to CPI increase starting January 1, 2025 equal to the greater of two percent (2%) or the actual CPI Change and the lesser of ten percent (10%) or the actual CPI Change, as outlined in section 6.2.1 of the attached HdL Master Services Agreement Schedule Z. Funding for one-time software implementation costs is available in the current fiscal year's 2022/23 General Fund Revenue division operating budget account 100-01730-46122. The annual fee will be budgeted for in the appropriate fiscal year in Information Technology account 100-01840-42030 Technical Services.

As part of the online payment processing services, HdL offers two payment models – taxpayer funded model (convenience fee) and Client funded interchange pass-through model. Based on the increasing volume of high dollar credit card transactions and in keeping with City Council's general direction to provide cost recovery, it is staff's recommendation that the customer pay a convenience fee (as a service fee), rather than the City absorbing the fee. Selecting this option is also consistent with Council approval of another contract (Paymentus in February 2020) and the convenience fee model that was anticipated to be expanded to other City departments at that time. The service fee will be charged directly by the HdL's payment processor, FIS, when the customer completes an online credit/debit card transaction. The City will never handle the fee, receiving only the actual amount paid toward the fees and tax revenue. If a customer does not wish to pay the 2.99% service fee, the online customer will now have the option to pay with an e-check at a flat fee of $1.25 per e-check. Paying with checks or cash over the counter or by mail will not incur any fees.

For the permitting software, staff will be looking to implement CentralSqure's payment portal which also includes two different payment models. Staff is recommending selecting a convenience fee model.

HdL's optional services consist of transient occupancy tax audits with a cost of $2,150 per audit and business license compliance services with a fee of 40% of all collected revenues. Once the

software is implemented, staff will review the need for these services and will bring the proposal to City Council with a defined scope of audit work.

Environmental Considerations: This action is not a project requiring review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(5) (organizational or administrative activities that will not result in direct or indirect physical changes in the environment).

Policy Implications: This action is consistent with Strategic Plan Action Item 5.2.1, Upgrade the CommunityPLUS permit tracking software to provide robust opportunities to increase workflow efficiencies and provide customer access to real time status and permit information.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

August 8, 2023

Authorizing the Execution of Professional Services Agreement with CentralSquare Technologies, LLC for Community Development Permit Tracking Software and Corresponding Budget Appropriations, and Authorizing the Execution of Professional Services Agreement with HdL for Business Licensing and Transient Occupancy Tax Administration Software

BACKGROUND

A. The City Strategic Plan includes a strategic priority to "utilize modern technology to do more work digitally in order to improve efficiency and access to services".

B. Implementation of this priority includes upgrading the City's current "CommunityPLUS permit tracking software to provide robust opportunities to increase workflow efficiencies and provide customer access to real time status and permit information."

C. The Development Services and Finance departments have solicited proposals to evaluate proposed software upgrade solutions.

D. A committee of City staff evaluated nine proposals and ultimately selected CentralSquare Technologies, LLC as the recommended vendor for property management and permit tracking solutions with total one-time implementation costs of $206,875 and first year annual maintenance fees of $72,600; and HdL as the recommended vendor for business licensing and transient occupancy tax payments administration with total one-time implementation costs of $76,500 and annual subscription fees of $22,000. Both annual fees are subject to percent increases as outlined in the contracts.

E. Sufficient operating budget is available for the one-time software implementation costs of HdL software. Each software's annual fee is or will be budgeted for in the operating accounts in the appropriate fiscal year.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Authorizes and directs the City Manager to execute the Software and Professional Services Agreement with CentralSquare Technologies, LLC in the amount of $279,475 including one-time implementation cost and first year annual maintenance fee of $72,600 (subject to 3% increase for year two, 4% for year three and 5% year over year thereafter) for Community Development Software Implementation for the five year initial term which will automatically renew for additional successive one year terms thereafter .

2. Authorizes the following budget appropriations for implementation cost and first year annual fee for Community Development Permit Tracking Software:

From:	**Source:**	**Amount**
271-03110-50014	Building Permit Fee-LongTerm	$279,475
To:	**Task**	
301-70008-46122	Software Purchases/Upgrades	$279,475

3. Authorizes and directs the City Manager to execute the Software and Professional Services Agreement with HdL in the amount of $76,500 for one-time implementation cost and $22,000 for first year annual subscription fee for Prime Cloud Software Implementation for twelve (12) months initial term which will automatically renew for successive twelve months terms thereafter.

Adopted by the City of South Lake Tahoe City Council on August 8, 2023 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
Cristi Creegan, Mayor

Attest:

_____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

CentralSquare Solutions Agreement

This CentralSquare Solutions Agreement (the "**Agreement**"), effective as of _____**, 2023** (the "**Effective Date**"), is entered into between **CentralSquare Technologies, LLC** with its principal place of business in Lake Mary, FL ("**CentralSquare**") and **City of South Lake Tahoe, CA** ("**Customer**"), together with CentralSquare, the "**Parties**", and each, a "**Party**".

WHEREAS, Customer entered into a prior agreement for Software products with Superion, LLC as successor in interest to Sungard Public Sector (Superion) a CentralSquare Technologies, LLC company; and

WHEREAS, Customer is a currently licensed end user of the Superion Software; and

WHEREAS, through asset purchase, CentralSquare is the owner of all Superion Software products, services, and contractual obligations; and

WHEREAS, Customer desires to discontinue use of the Superion Community PLUS Software products and upgrade to the CentralSquare Software solution identified in Exhibit 1 to this Agreement and discontinue use of the Superion Software product Community Plus upon Delivery; and

WHEREAS, this Agreement shall replace and supersede any and all prior agreements directly related to the Superion Software product CommunityPLUS being replaced by this Agreement.

WHEREAS, CentralSquare licenses and gives access to certain software applications ("**Solutions**") to its customers and also provides maintenance, support, migration, installation and other professional services; and

WHEREAS, Customer desires to license and/or gain access to certain Solutions and receive professional services described herein, and CentralSquare desires to grant and provide Customer license and access to such offerings as well as to provide support and maintenance, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, by the signatures of their duly authorized representative below, the Parties intending to be legally bound, agree to all of the following provisions and exhibits of this Agreement:

CentralSquare Technologies, LLC	City of South Lake Tahoe
1000 Business Center Drive Lake Mary, FL 32746	1901 Lisa Maloff Road Suite #210, South Lake Tahoe, CA , 96150
By:	By:
Print Name:	Print Name: Joseph Irvin
Print Title:	Print Title: City Manager
Date Signed:	Date Signed:

Solution: PA Community Development Modification from PLUS

Term.

Initial Term. The Initial Term of this Agreement commences as of the Effective Date and will continue in effect for five (5) year(s) from such date unless terminated earlier pursuant to any of the Agreement's express provisions (the "**Initial Term**").

Renewal Term. This Agreement will automatically renew for additional successive one (1) year terms unless earlier terminated pursuant to any of the Agreement's provisions (a "**Renewal Term**" and, collectively, with the Initial Term, the "**Term**").

Non-Renewal. Either Party may elect to end renewal of the Agreement by issuing a notice of non-renewal, in writing, to the other Party six (6) months prior to the expiration of the Agreement term.

Fees.

In consideration of the rights and services granted by CentralSquare to Customer under this Agreement, Customer shall make payments to CentralSquare pursuant to the amounts and payment terms outlined in Exhibit 1 (the Solution(s) and Services Fee Schedule).

All invoices shall be billed and paid in U.S. dollars (USD) and in accordance with the terms set forth in Exhibit 1. If Customer delays an invoice payment for any reason, Customer shall promptly notify CentralSquare in writing the reasons for such delay. Unless otherwise agreed by both Parties, CentralSquare may apply any payment received to any delinquent amount outstanding.

Standard Terms and Conditions

1. **Definitions**. Capitalized terms not otherwise defined in this Agreement have the meanings set forth below:

1.1. "**Affiliate**" means any other Entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Entity.

1.2. "**Authorized User**" means Customer's employees, consultants, contractors, and agents who are authorized by Customer to access and use the Solutions pursuant to this Agreement, and for whom access to the Solutions has been purchased.

1.3. "**Baseline Solution**" means the version of a Solution updated from time to time pursuant to CentralSquare's warranty services and maintenance, but without any other modification.

1.4. "**CentralSquare Systems**" means the information technology infrastructure used by or on behalf of CentralSquare to deliver the Solutions, including all computers, software, hardware, databases, electronic systems (including database management systems), and networks, whether operated directly by CentralSquare or through the use of third-party services.

1.5. "**Customer Data**" means information, data, and content, in any form or medium, collected, downloaded, or otherwise received, directly or indirectly from Customer, an Authorized User or end-users by or through the Solutions, provided the data is not personally identifiable and not identifiable to Customer.

1.6. "**Customer Systems**" means the Customer's information technology infrastructure, including computers, software, hardware, databases, electronic systems (including database management systems), and networks, whether operated by Customer or through the third-party services.

1.7. "**Defect**" means a material deviation between the Baseline Solution and its Documentation, for which Customer has given CentralSquare sufficient information to enable CentralSquare to replicate the deviation on a computer configuration that is both comparable to the Customer Systems and that is under CentralSquare's control. Further, with regard to any custom modification, Defect means a material deviation between the custom modification and the CentralSquare generated specification and Documentation for such custom modification, and for which Defect Customer has given CentralSquare sufficient information to enable CentralSquare to replicate the deviation on a computer configuration that is both comparable to the Customer Systems and that is under CentralSquare's control.

1.8. **"Delivery"** means:

1.8.1. For on-premise Solutions, Delivery shall be when CentralSquare delivers to Customer the initial copies of the Solutions outlined in Exhibit 1 by whichever the following applies and occurs first (a) electronic delivery, by posting it on CentralSquare's network for downloading, or similar suitable electronic file transfer method, or (b) physical shipment, such as on a disc or other suitable media transfer method, or (c) installation, or (d) delivery of managed services server. Physical shipment is on FOB - CentralSquare's shipping point, and electronic delivery is at the time CentralSquare provides Customer with access to download the Solutions.

1.8.2. For cloud-based Solutions Delivery shall be whichever the following applies and occurs first when Authorized Users have (a) received log-in access to the Solution or any module of the Solution or (b) received access to the Solution via a URL.

1.9. "**Documentation**" means any manuals, instructions, or other documents or materials that CentralSquare provides or makes available to Customer in any form or medium and which describe the functionality, components, features, or requirements of the Solution(s), including any aspect of its installation, configuration, integration, operation, use, support, or maintenance.

1.10. "**Entity**" means an individual, corporation, partnership, joint venture, limited liability entity, governmental authority, unincorporated organization, trust, association, or other organization.

1.11. **"Hardware"** means any equipment, computer systems, servers, storage devices, peripherals, and any other tangible assets purchased under this Agreement.

1.12. "**Intellectual Property Rights**" means any and all registered and unregistered rights granted, applied for, or otherwise now or hereafter in existence under or related to any patent, copyright, trademark, trade secret, database protection, or other intellectual property rights laws, and all similar or equivalent rights or forms of protection, in any part of the world.

1.13. "**Managed Services Hardware**" means any equipment, computer systems, servers, peripherals, and any other tangible asset purchased as a subscription under this Agreement.

1.14. "**Maintenance**" means optimization, error correction, modifications, and Updates (defined herein) to CentralSquare Solutions to correct any known Defects and improve performance. Maintenance will be provided for each Solution, the hours and details of which are described in Exhibit 2 (Maintenance and Support)

1.15. "**New or Major Releases**" means new versions of a Baseline Solution (e.g., version 4.0, 5.0 etc.) not provided as part of Maintenance.

1.16. "**Personal Information**" means any information that does or can identify a specific individual or by or from which a specific individual may be identified, contacted, or located. Personal Information includes all "nonpublic personal

information" as defined under the Gramm-Leach-Bliley Act, "protected health information" as defined under the Health and Insurance Portability and Accountability Act of 1996, "Personal Data" as defined in the EU General Data Protection Regulation (GDPR 2018), "Personal Information" as defined under the Children's Online Privacy Protection Act of 1998, and all rules and regulations issued under any of the foregoing.

1.17. "**Professional Services**" means configuration, installation, implementation, development work, training or consulting services including custom modification programming, support relating to custom modifications, on-site support services, assistance with data transfers, system restarts and reinstallations provided by CentralSquare.

1.18. "**Software**" means the software program(s) (in object code format only) identified on Exhibit 1 (Solution(s) and Services Fee Schedule). The term "Software" excludes any Third-Party Software.

1.19. **"Software Version"** means the base or core version of the Solution Software that contains significant new features and significant fixes and is available to the Customer. The nomenclature used for updates and upgrades consists of major, minor, build, and fix and these correspond to the following digit locations of a release, a,b,c,d. An example of which would be 7.4.1.3, where the 7 refers to the major release, the 4 refers to the minor release, the 1 refers to the build, and the 3 refers to a fix.

1.20. "**Solutions**" means the software, Documentation, development work, CentralSquare Systems and any and all other information, data, documents, materials, works, and other content, devices, methods, processes, hardware, software, technologies and inventions, including any deliverables, technical or functional descriptions, requirements, plans, or reports, provided or used by CentralSquare or any Subcontractor in connection with Professional Services or Support Services rendered under this Agreement.

1.21. **"Support Services"** means Maintenance, Enhancements, implementation of New Releases, and general support efforts to respond to incidents reported by Customer in accordance with Exhibit 2 (Maintenance & Support).

1.22. "**Third-Party Materials**" means materials and information, in any form or medium, including any software, documents, data, content, specifications, products, related services, equipment, or components of or relating to the Solutions that are not proprietary to CentralSquare.

2. License, Access, and Title.

2.1. License Grant. For any Solution designated as a "license" on Exhibit 1, Customer is granted a perpetual (unless terminated as provided herein), nontransferable, nonexclusive right and license to use the Software for Customer's own internal use for the applications described in the Statement of Work, in the applicable environment (e.g., production, test, training, or disaster recovery system) and in the quantity set forth in Exhibit 1. Additional software licenses purchased after the execution of this Agreement shall also be licensed in accordance with the provisions of this section. Customer shall not use, copy, rent, lease, sell, sublicense, modify, create derivative works from/of, or transfer any software, or permit others to do said acts, except as provided in this Agreement. Any such unauthorized use shall be void and may result in immediate and automatic termination of the applicable license. In such event, Customer shall not be entitled to a refund of any license fees paid. Notwithstanding, Customer shall be entitled to use software at the applicable designated location for the purpose of the application(s) described in the Statement of Work to provide services for itself and other Affiliate governmental agencies/entities, provided that the Software is installed and operated at only one physical location. The Software license granted in this Agreement or in connection with it are for object code only and do not include a license or any rights to source code whatsoever.

2.2. Access Grant. For any Solution designated as a "subscription" on Exhibit 1, so long as subscription fees are paid and current, (unless terminated as provided herein), Customer is granted a nontransferable, nonexclusive right to use the software for the Customer's own internal use for the applications described in the Statement of Work, in the applicable environment (e.g., production, test, training, or disaster recovery system) and in the quantity set forth in Exhibit 1. Additional CentralSquare software subscriptions purchased after the execution of this Agreement shall also be accessed in accordance with the provisions of this section. Customer shall not use, copy, rent, lease, sell, sublicense, modify, create derivative works from/of, or transfer any software, or permit others to do said acts, except as provided in this Agreement. Any such unauthorized use shall be void and may result in immediate and automatic termination of the applicable access. In such event, Customer shall not be entitled to a refund of any subscription fees paid. Notwithstanding, Customer shall be entitled to use software at the applicable designated location for the purpose of the application(s) described in the Statement of Work to provide services for itself and other Affiliate governmental agencies/entities. The subscription access granted in this Agreement or in connection with it are for object code only and do not include a license or any rights to source code whatsoever.

2.3. Documentation License. CentralSquare hereby grants to Customer a non-exclusive, non-sublicensable, non-transferable license to use the Documentation during the Term solely for Customer's internal business purposes in connection with its use of the Solutions.

2.4. Hardware (If Applicable)**.** Subject to the terms and conditions of this Agreement, CentralSquare agrees to deliver, through hardware vendors, the Hardware itemized on Exhibit 1. The risk of loss or damage will pass to Customer upon the date of delivery to the Customer specified facility. Upon delivery and full satisfaction of the Hardware payment obligations, Hardware shall be deemed accepted and Customer will acquire good and clear title to Hardware. All Hardware manufacturer warranties will be passed through to Customer. CentralSquare expressly disclaims, and

Customer hereby expressly waives all other Hardware warranties, express or implied, without limitation, warranties of merchantability and fitness for a particular purpose.

2.5. Managed Services Hardware (If Applicable)**.** Subject to the terms and conditions of this Agreement, CentralSquare agrees to deliver the Managed Services Hardware itemized on Exhibit 1. So long as the applicable subscription fees are paid and current, Customer shall maintain a limited right in possessory interest in the Managed Services Hardware. No title in the Managed Services Hardware will pass to Customer at any time or for any reason. Customer agrees to maintain adequate insurance against fire, theft, or other loss for the Managed Services Hardware full insurable value.

2.6. Reservation of Rights. Nothing in this Agreement grants any right, title, or interest in or to any Intellectual Property Rights in or relating to the Solutions, or Third-Party Materials, whether expressly, by implication, estoppel, or otherwise. All right, title, and interest in the Solutions, and the Third-Party Materials are and will remain with CentralSquare and the respective rights holders.

3. Use Restrictions. Authorized Users shall not:

3.1. copy, modify, or create derivative works or improvements of the Solutions, or rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available any Solutions to any Entity, including on or in connection with the internet or any time-sharing, service bureau, software as a service, cloud, or other technology or service;

3.2. reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to the source code of the Solutions, in whole or in part;

3.3. bypass or breach any security device or protection used by Solutions or access or use the Solutions other than by an Authorized User through the use of his or her own then valid access;

3.4. input, upload, transmit, or otherwise provide to or through the CentralSquare Systems, any information or materials that are unlawful or injurious, or contain, transmit, or activate any harmful code (any software, hardware, device, or other technology, including any virus, worm, malware, or other malicious computer code, the purpose or effect of which is to (a) permit unauthorized access to, or to destroy, disrupt, disable, distort, or otherwise harm or impede any (i) computer, software firmware, hardware, system or network; or (ii) any application or function of any of the foregoing or the security, integrity, confidentiality, or use of any data processed thereby; or (b) prevent Customer or any Authorized User from accessing or using the Solutions as intended by this Agreement;

3.5. damage, destroy, disrupt, disable, impair, interfere with, or otherwise impede or harm in any manner the CentralSquare Systems, or CentralSquare's provision of services to any third-party, in whole or in part;

3.6. remove, delete, alter, or obscure any trademarks, specifications, Documentation, warranties, or disclaimers, or any copyright, trademark, patent, or other intellectual property or proprietary rights notices from any Documentation or Solutions, including any copy thereof;

3.7. access or use the Solutions in any manner or for any purpose that infringes, misappropriates, or otherwise violates any Intellectual Property Right or other right of any third-party, or that violates any applicable law;

3.8. access or use the Solutions for purposes of competitive analysis of the Solutions, the development, provision, or use of a competing software service or product or any other purpose that is to CentralSquare's detriment or commercial disadvantage or otherwise access or use the Solutions beyond the scope of the authorization granted in Section 2.

4. Audit.

4.1. CentralSquare shall have the right to audit Customer's use of the Software to monitor compliance with this Agreement. Customer shall permit CentralSquare and its directors, officers, employees, and agents to have on-site access at Customer's premises (or remote access as the case may be) during normal business hours to such systems, books, and records for the purpose of verifying license counts, access counts, and overall compliance with this Agreement. Customer shall render reasonable cooperation to CentralSquare as requested. If as a result of any audit or inspection CentralSquare substantiates a deficiency or non-compliance, or if an audit reveals that Customer has exceeded the restrictions on use, Customer shall promptly reimburse CentralSquare for all its costs and expenses incurred to conduct such audit or inspection and be required to pay for any delinquencies in compliance and prompt payment of any underpayment of Fees.

5. Customer Obligations.

5.1. Customer Systems and Cooperation. Customer shall at all times during the Term: (a) set up, maintain, and operate in good repair all Customer Systems on or through which the Solutions are accessed or used; (b) provide CentralSquare Personnel with such access to Customer's premises and Customer Systems as is necessary for CentralSquare to perform the Support Services in accordance with the Support Standards and specifications and if required by CentralSquare, remote access in accordance with Exhibit 3 (CentralSquare Access Management Policy); and (c) provide all cooperation as CentralSquare may reasonably request to enable CentralSquare to exercise its rights and perform its obligations under this Agreement.

5.2. Effect of Customer Failure or Delay. CentralSquare is not responsible or liable for any delay or failure of performance caused in whole or in part by Customer's delay in performing, or failure to perform, any of its obligations under this Agreement.

5.3. Corrective Action and Notice. If Customer becomes aware of any actual or threatened activity prohibited by Section **Error! Reference source not found.**, Customer shall, and shall cause its Authorized Users to, immediately: (a) take all reasonable and lawful measures within their respective control that are necessary to stop the activity or threatened activity and to mitigate its effects (including, where applicable, by discontinuing and preventing any unauthorized access to the Solutions and permanently erasing from their systems and destroying any data to which any of them gained unauthorized access); and (b) notify CentralSquare of any such actual or threatened activity.

5.4. Maintaining Current Versions of CentralSquare Solutions. In accordance with Exhibit 2 (Maintenance & Support), Customer shall install and/or use any New or Major Release within one year of being made available by CentralSquare to mitigate a performance problem, ineligibility for Support Services, or an infringement claim.

6. Professional Services.

6.1. Compliance with Customer Policies. While CentralSquare personnel are performing services at Customer's site, CentralSquare personnel will comply with Customer's reasonable procedures and site policies that are generally applicable to Customer's other suppliers providing similar services and that have been provided to CentralSquare in writing or in advance.

6.2. Contributed Material. In the process of CentralSquare's performing Professional Services, Customer may, from time to time, provide CentralSquare with designs, plans, or specifications, improvements, works or other material for inclusion in, or making modifications to, the Solutions, the Documentation or any other deliverables ("**Contributed Material**"). Customer grants to CentralSquare a nonexclusive, irrevocable, perpetual, transferable right, without the payment of any royalties or other compensation of any kind and without the right of attribution, for CentralSquare, CentralSquare's Affiliates and CentralSquare's licensees to make, use, sell and create derivative works of the Contributed Material.

7. Confidentiality.

7.1. Nondisclosure. The Parties agree, unless otherwise provided in this Agreement or required by law including but not limited to the California Public Records Act, not to use or make each other's Confidential Information available to any third party for any purpose other than as necessary to perform under this Agreement. **"Confidential Information"** means the Solution(s), Software, and customizations in any embodiment, and either Party's technical and business information relating to inventions or software, research and development, future product specifications, engineering processes, costs, profit or margin information, marketing and future business plans as well as any and all internal Customer and employee information, and any information exchanged by the Parties that is clearly marked with a confidential, private or proprietary legend or which, by its nature, is commonly understood to be confidential.

7.2. Exceptions. A Party's Confidential Information shall not include information that: (a) is or becomes publicly available through no act or omission of the recipient; (b) was in the recipient's lawful possession prior to the disclosure and was not obtained by the recipient either directly or indirectly from the disclosing Party; (c) is lawfully disclosed to the recipient by a third party without restriction on recipient's disclosure, and where recipient was not aware that the information was the confidential information of discloser; (d) is independently developed by the recipient without violation of this Agreement; or (e) is required to be disclosed by law including but not limited to the California Public Records Act. If a request for public information is received by the Customer with respect to CentralSquare's confidential information, including but not limited to the CentralSquare software and documentation, that CentralSquare be notified of such request and afforded the opportunity to oppose release (if necessary) in accordance with applicable Public Records laws or ordinances.

8. Security.

8.1. CentralSquare will implement commercially reasonable administrative, technical and physical safeguards designed to ensure the security and confidentiality of Customer Data, protect against any anticipated threats or hazards to the security or integrity of Customer Data, and protect against unauthorized access or use of Customer Data. CentralSquare will review and test such safeguards on no less than an annual basis.

8.2. Customer shall maintain, in connection with the operation or use of the Solutions, adequate technical and procedural access controls and system security requirements and devices, necessary for data privacy, confidentiality, integrity, authorization, authentication, non-repudiation, virus detection and eradication.

8.3. To the extent that Authorized Users are permitted to have access to the Solutions, Customer shall ensure that Authorized Users comply with this Agreement and adequately protect the confidentiality and Intellectual Property Rights of CentralSquare in the Solutions and Documentation and disclaim any liability or responsibility of CentralSquare with respect to such Authorized Users.

9. Personal Data. If CentralSquare processes or otherwise has access to any personal data or Personal Information on Customer's behalf when performing CentralSquare's obligations under this Agreement, then:

9.1. Customer shall be the data controller (where "**data controller**" means an entity which alone or jointly with others determines purposes for which and the manner in which any personal data are, or are to be, processed) and CentralSquare shall be a data processor (where "**data processor**" means an entity which processes the data only on behalf of the data controller and not for any purposes of its own);

9.2. Customer shall ensure that it has obtained all necessary consents and it is entitled to transfer the relevant personal data or Personal Information to CentralSquare so that CentralSquare may lawfully use, process and transfer the

personal data and Personal Information in accordance with this Agreement on Customer's behalf, which may include CentralSquare processing and transferring the relevant personal data or Personal Information outside the country where Customer and the Authorized Users are located in order for CentralSquare to provide the Solutions and perform its other obligations under this Agreement; and

9.3. CentralSquare shall process personal data and information only in accordance with lawful and reasonable written instructions given by Customer and as set out in and in accordance with the terms of this Agreement; and

9.4. CentralSquare shall take reasonable steps to ensure that its employees, agents and contractors who may have access to Personal Information are persons who need to know / access the relevant Personal Information for valid business reasons; and

9.5. each Party shall take appropriate technical and organizational measures against unauthorized or unlawful processing of the personal data and Personal Information or its accidental loss, destruction or damage so that, having regard to the state of technological development and the cost of implementing any measures, the measures taken ensure a level of security appropriate to the harm that might result from such unauthorized or unlawful processing or accidental loss, destruction or damage in relation to the personal data and Personal Information and the nature of the personal data and Personal Information being protected. If necessary, the Parties will cooperate to document these measures taken.

10. Representations and Warranties.

10.1. Intellectual Property Warranty. CentralSquare represents and warrants that (a) it is the sole and exclusive owner of (or has the right to license) the software; (b) it has full and sufficient right, title and authority to grant the rights and/or licenses granted under this Agreement; (c) the software does not contain any materials developed by a third party used by CentralSquare except pursuant to a license agreement; and (d) the software does not infringe any patent, or copyright.

10.2. Intellectual Property Remedy. In the event that any third party asserts a claim of infringement against the Customer relating to the software contained in this Agreement, CentralSquare shall indemnify and defend the Customer pursuant to section 13.1 of this Agreement. In the case of any such claim of infringement, CentralSquare shall either, at its option, (1) procure for Customer the right to continue using the software; or (2) replace or modify the software so that that it becomes non-infringing, but equivalent in functionality and performance.

10.3. Software Warranty. CentralSquare warrants to Customer that: (i) for a period of one year from the Effective Date (the "Warranty Period") the Software will substantially conform in all material respects to the specifications set forth in the Documentation, when installed, operated and used as recommended in the Documentation and in accordance with this Agreement; and (ii) at the time of delivery the Software does not contain any virus or other malicious code.

10.4. Software Remedy. If, during the Warranty Period a warranty defect is confirmed in the CentralSquare Software, CentralSquare shall, at its option, reinstall the Software or correct the Defects. Defects that occur in the Software after the Warranty Period will be corrected pursuant to Exhibit 2 (Maintenance & Support).

10.5. Services Warranty**.** CentralSquare warrants that the Professional Services delivered will substantially conform to the deliverables specified in the applicable statement of work and that all Professional Services will be performed in a professional and workmanlike manner consistent with industry standards for similar work. If Professional Services do not substantially conform to the deliverables, Customer shall notify CentralSquare of such non-conformance in writing, within 10 days from completion of Professional Service, and CentralSquare shall promptly repair the non-conforming deliverables.

10.6. **Disclaimer of Warranty. EXCEPT FOR THE EXPRESS LIMITED WARRANTIES SET FORTH ABOVE, CENTRALSQUARE MAKES NO WARRANTIES WHATSOEVER, EXPRESSED OR IMPLIED, WITH REGARD TO THE INTELLECTUAL PROPERTY, SOFTWARE, PROFESSIONAL SERVICES, AND/OR ANY OTHER MATTER RELATING TO THIS AGREEMENT, AND THAT CENTRALSQUARE DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OR TRADE PRACTICE, AND SPECIFICALLY DISCLAIMS IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR TITLE. FURTHER, CENTRALSQUARE EXPRESSLY DOES NOT WARRANT THAT A SOLUTION, ANY CUSTOM MODIFICATION OR ANY IMPROVEMENTS WILL BE USABLE BY CUSTOMER IF THE SOLUTION OR CUSTOM MODIFICATION HAS BEEN MODIFIED BY ANYONE OTHER THAN CENTRALSQUARE PERSONNEL, OR WILL BE ERROR FREE, WILL OPERATE WITHOUT INTERRUPTION OR WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN THE DOCUMENTATION. ALL THIRD-PARTY MATERIALS ARE PROVIDED "AS-IS" AND ANY REPRESENTATION OR WARRANTY OF OR CONCERNING ANY OF THEM IS STRICTLY BETWEEN CUSTOMER AND THE THIRD-PARTY. THIS AGREEMENT DOES NOT AMEND, OR MODIFY CENTRALSQUARE'S WARRANTY UNDER ANY AGREEMENT OR ANY CONDITIONS, LIMITATIONS, OR RESTRICTIONS THEREOF.**

11. Notices. All notices and other communications required or permitted under this Agreement must be in writing and will be deemed given when delivered personally, sent by United States registered or certified mail, return receipt requested; transmitted by facsimile or email confirmed by first class mail, or sent by overnight courier. Notices must be sent to a Party at its address shown below, or to such other place as the Party may subsequently designate for its receipt of notices in writing

by the other Party.

If to CentralSquare **CentralSquare Technologies, LLC**
1000 Business Center Dr.
Lake Mary, FL 32746
Phone: 407-304-3235
Attention: Legal/Contracts

If to Customer: **City of South Lake Tahoe**
1901 Lisa Maloff Road
Suite #210
South Lake Tahoe, CA 96150
Phone: (530) 542-7478
Email: hstroud@cityofslt.us
Attention: City Attorney

12. Force Majeure.

Neither Party shall be responsible for failure to fulfill its obligations hereunder, or be liable for damages resulting from delay in performance as a result of war, fire, strike, riot or insurrection, natural disaster, pandemic or epidemic, delay of carriers, governmental order or regulation, complete or partial shutdown of plant, unavailability of equipment, software, or services from suppliers, default of a subcontractor or vendor to the Party if such default arises out of causes beyond the reasonable control of such subcontractor or vendor, the acts or omissions of the other Party, or its officers, directors, employees, agents, contractors, or elected officials, and/or other occurrences beyond the Party's reasonable control ("Excusable Delay" hereunder). In the event of such Excusable Delay, performance shall be extended on a day for day basis or as otherwise reasonably necessary to compensate for such delay.

13. Indemnification.

13.1. CentralSquare Indemnification. CentralSquare shall indemnify, defend, and hold harmless Customer from any and all Claims or liability, including attorneys' fees and costs, brought by a third party, allegedly arising out of, in connection with, or incident to any loss, damage or injury to persons or property or arising solely from a wrongful or negligent act, error or omission of CentralSquare, its employees, agents, contractors, or any subcontractor as a result of CentralSquare's or any subcontractor's performance pursuant to this Agreement; however, CentralSquare shall not be required to indemnify Customer for any claims caused to the extent of the negligence or wrongful act of Customer, its employees, agents, or contractors. Notwithstanding anything to the contrary in the foregoing, if a Claim or liability results from or is contributed to by the actions or omissions of Customer, or its employees, agents or contractors, CentralSquare's obligations under this provision shall be reduced to the extent of such actions or omissions based upon the principle of comparative fault.

13.2. "**Claim**" in this Section 13 means any claim, cause of action, demand, lawsuit, dispute, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or other, whether at law, in equity, or otherwise.

14. Termination.

14.1. Either Party may terminate this Agreement for a material breach in accordance with this subsection. In such event, the disputing Party shall deliver written notice of its intent to terminate along with a description in reasonable detail of the problems for which the disputing Party is invoking its right to terminate and the specific requirement within this Agreement or any exhibit or schedule hereto that the disputing Party is relying upon. Following such notice, the Parties shall commence dispute resolution procedures in accordance with the dispute resolution procedure pursuant to Section 17.

14.2. CentralSquare shall have the right to terminate this Agreement based on Customer's failure to pay undisputed amounts due under this Agreement more than ninety (90) days after delivery of written notice of non-payment.

14.3. Customer shall have the right to terminate if the proper appropriation of funds for the continuation of this Agreement is not available for any fiscal year after the first fiscal year during the Term, then this Agreement may be terminated. To effect the termination of this Agreement, Customer shall, within forty-five (45) days following the beginning of the fiscal year for which the proper appropriation is not available, provide CentralSquare with written notice of the failure to obtain the proper appropriation of funds. Such notice shall be accompanied by the payment of all sums then owed CentralSquare under this Agreement, if any.

15. Effect of Termination or Expiration. On the expiration or earlier termination of this Agreement:

15.1. All rights, licenses, and authorizations granted to Customer hereunder will immediately terminate and Customer shall immediately cease all use of CentralSquare's Confidential Information and the Solutions, and within thirty (30) days deliver to CentralSquare, or at CentralSquare's request destroy and erase CentralSquare's Confidential Information from all systems Customer directly or indirectly controls; and

15.2. All licenses, access or subscription fees, services rendered but unpaid, and any amounts due by Customer to CentralSquare of any kind shall become immediately payable and due no later than thirty (30) days after the effective date of the termination or expiration, including anything that accrues within those thirty (30) days.

15.3. The provisions set forth in the following sections, and any other right or obligation of the Parties in this Agreement that, by its nature (including but not limited to: Use Restrictions, Confidential Information, Warranty Disclaimers, Indemnifications, & Limitations of Liability), will survive any expiration or termination of this Agreement.

15.4. In the event that Customer terminates this Agreement or cancels any portions of a project (as may be set forth in a Statement of Work) prior to Go Live (which shall be defined as "first use of a Solution or module of a Solution in a production environment, unless otherwise agreed by the Parties in a statement of work"), Customer shall pay for all Professional Services actually performed by CentralSquare on a time and materials basis, regardless of the payment terms in Exhibit 1.

15.5. Return of Customer Data. If Customer requests in writing at least ten (10) days prior to the effective date of expiration or earlier termination of this Agreement, CentralSquare shall within sixty (60) days following such expiration or termination, deliver to Customer in CentralSquare's standard format the then most recent version of Customer Data maintained by CentralSquare, provided that Customer has at that time paid all Fees then outstanding and any amounts payable after or as a result of such expiration or termination.

15.6. Deconversion. In the event of (i) expiration or earlier termination of this Agreement, or (ii) Customer no longer purchasing certain Solutions (including those indicated to be Third-Party Materials), if Customer requests assistance in the transfer of Customer Data to a different vendor's applications ("Deconversion"), CentralSquare will provide reasonable assistance. CentralSquare and Customer will negotiate in good faith to establish the relative roles and responsibilities of CentralSquare and Customer in effecting Deconversion, as well as the appropriate date for completion. CentralSquare shall be entitled to receive compensation for any additional consultation, services, software, and documentation required for Deconversion on a time and materials basis at CentralSquare's then standard rates.

15.7. Termination of this Agreement shall not relieve either Party of any other obligation incurred one to the other prior to termination.

16. Assignment. Neither this Agreement nor any rights or obligations hereunder shall be assigned or otherwise transferred by either Party without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided however, that in the event of a merger or acquisition of all or substantially all of CentralSquare's assets, CentralSquare may assign this Agreement to an entity ready, willing and able to perform CentralSquare's executory obligations hereunder.

17. Dispute Resolution. Any dispute, controversy or claim arising out of or relating to this Agreement (each, a "Dispute"), including the breach, termination, or validity thereof, shall be resolved as follows:

17.1. Good Faith Negotiations. The Parties agree to send written notice to the other Party of any Dispute ("Dispute Notice"). After the other Party receives the Dispute Notice, the Parties agree to undertake good faith negotiations to resolve the Dispute. Each Party shall be responsible for its associated travel and other related costs.

17.2. Escalation to Mediation. If the Parties cannot resolve any Dispute through good faith negotiations, the dispute will be escalated to non-binding mediation, with the Parties acting in good faith to select a mediator and establishing the mediation process. The Parties agree the mediator's fees and expenses, and the mediator's costs incidental to the mediation, will be shared equally between the Parties. The Parties shall bear their own fees, expenses, and costs.

17.3. Confidential Mediation. The Parties further agree all written or oral offers, promises, conduct, and statements made in the course of the mediation are confidential, privileged, and inadmissible for any purpose in any litigation, arbitration or other proceeding involving the Parties. However, evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

17.4. Litigation. If the Parties cannot resolve a Dispute through mediation, then once an impasse is declared by the mediator either Party may pursue litigation in a court of competent jurisdiction.

18. Waiver/Severability. The failure of any Party to enforce any of the provisions hereof will not be construed to be a waiver of the right of such Party thereafter to enforce such provisions. If any provision of this Agreement is found to be unenforceable, that provision will be enforced to the maximum extent possible, and the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

19. LIABILITY. NOTWITHSTANDING ANY PROVISION WITHIN THIS AGREEMENT TO THE CONTRARY, AND REGARDLESS OF THE NUMBER OF LOSSES, WHETHER IN CONTRACT, EQUITY, STATUTE, TORT, NEGLIGENCE, OR OTHERWISE:

19.1. **NEITHER PARTY SHALL HAVE LIABILITY TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, LIQUIDATED, OR CONSEQUENTIAL DAMAGES OF ANY KIND INCLUDING BUT NOT LIMITED TO, REPLACEMENT COSTS, AND NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR LOSSES OF PROFIT, REVENUE, INCOME, BUSINESS, ANTICIPATED SAVINGS, DATA, AND REPUTATION, AND MORE GENERALLY, ANY LOSSES OF AN ECONOMIC OR FINANCIAL NATURE, REGARDLESS OF WHETHER SUCH LOSSES MAY BE DEEMED AS CONSEQUENTIAL OR ARISING DIRECTLY AND NATURALLY FROM THE INCIDENT GIVING RISE TO THE CLAIM, AND REGARDLESS OF WHETHER SUCH LOSSES ARE FORESEEABLE OR WHETHER EITHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES; AND**

19.2. **CENTRALSQUARE'S TOTAL LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED TWICE THE AMOUNT(S) ACTUALLY PAID BY CUSTOMER TO CENTRALSQUARE HEREUNDER FOR THE LAST TWELVE (12) MONTHS PRIOR TO THE DATE THE CLAIM AROSE.**

20. Insurance. During the term of this Agreement, CentralSquare shall maintain insurance coverage covering its operations in

accordance with Exhibit 4 (Certificate of Insurance (Evidence of Coverage)). Upon request by Customer, CentralSquare shall include Customer as an additional insured on applicable insurance policies provided under this Agreement. CentralSquare shall provide proof of current coverage during the term of this Agreement.

21. **Third-Party Materials.** CentralSquare may, from time to time, include third parties to perform services, provide software, or provide equipment, with prior Customer approval.. Customer acknowledges and agrees CentralSquare provides front-line support services for these Third-Party Materials, but these third parties assume all responsibility and liability in connection with the Third-Party Materials. CentralSquare is not authorized to make any representations or warranties that are binding upon the third-party or to engage in any other acts that are binding upon the third-party, except specifically that CentralSquare is authorized to represent third-party fees and to accept payment of such amounts from Customer on behalf of the third-party for as long as such third-party authorizes CentralSquare to do so. As a condition precedent to installing or accessing certain Third-Party Materials, Customer may be required to execute a click-through, shrink-wrap End User License Agreement ("EULA") or similar agreement provided by the Third-Party Materials provider. If mapping information is supplied with the CentralSquare Software, CentralSquare makes no representation or warranty as to the completeness or accuracy of the mapping data provided with the CentralSquare Software. The completeness or accuracy of such data is solely dependent on the information supplied by the Customer or the mapping database vendor to CentralSquare. All third-party materials are provided "as-is" and any representation or warranty concerning them is strictly between Customer and the third-party.

22. **Subcontractors**. CentralSquare may from time to time, in its discretion, engage third parties to perform services on its behalf including but not limited to Professional Services, Support Services, and/or provide software (each, a "Subcontractor"). CentralSquare shall be fully responsible for the acts of all subcontractors to the same extent it is responsible for the acts of its own employees.

23. **Entire Agreement**. This Agreement, the City of South Lake Tahoe Professional Services Agreement as agreed to by the Parties, and any Exhibits specifically incorporated therein by reference, constitute the entire agreement between the Parties with respect to the subject matter. These documents supersede and merge all previous and contemporaneous proposals of sale, communications, representations, understandings and agreements, whether oral or written, between the Parties with respect to the subject hereof.

24. **Amendment**. Either Party may, at any time during the term, request in writing changes to this agreement. The Parties shall evaluate and, if agreed, implement all such requested changes. No requested changes will be effective unless and until memorialized in a written change order or amendment to this Agreement signed by both Parties.

25. **No Third-Party Beneficiaries**. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer on any other person any legal or equitable right, benefit, or remedy of any nature under or by reason of this Agreement.

26. **Counterparts**. This Agreement, and any amendments hereto, may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall constitute one and the same instrument. The Agreement (and any amendments) shall be considered properly executed by a Party if executed by that Party and transmitted by facsimile or other electronic means, such as DocuSign, Tagged Image Format Files (TIFF), or Portable Document Format (PDF).

27. **Material Adverse Change**. If any law, regulation, applicable standard, process, OEM requirement is changed or comes into force after the Effective Date, including but not limited to PCI standards or Americans with Disabilities Act compliance (collectively, a "Material Adverse Change"), which is not explicitly addressed within this Agreement and results in *significant extra* costs for either Party in relation to the performance of this Agreement, both Parties shall promptly meet, discuss in good faith, and agree upon reducing the technical, operational, and/or commercial impact of such Material Adverse Change.

28. **Cooperative Purchases.** This Agreement may be used by Customer Affiliates. CentralSquare agrees to offer similar services to other Affiliates under the same terms and conditions as stated herein except that the Fees may be negotiated between CentralSquare and other Affiliates based on the specific revenue expectations, agency reimbursed costs, and other Affiliate requirements. The Customer will in no way whatsoever incur any liability in relation to specifications, delivery, payment, or any other aspect of purchases by such Affiliates. CentralSquare and the Affiliate will enter into any such arrangement with an amendment to this Agreement.

29. **Order of Precedence**.

    29.1. In the event of any conflict or inconsistency between this Agreement, the Exhibits, or any purchase order, then the following priority shall prevail:

        29.1.1. The main body of this Agreement and any associated amendments, statements of work (including Exhibit 5 (Statement of Work)), or change orders and then the attached Exhibits to this Agreement in the order in which they appear.

    29.2. Customer's purchase terms and conditions or CentralSquare's sales terms and conditions are not applicable and shall have no force or effect, whether referenced in any document in relation to this Agreement.

    29.3. Incorporated Exhibits to this Agreement:

    Exhibit 1: Solution(s) and Services Fee Schedule

    Exhibit 2: Maintenance & Support

Exhibit 3: CentralSquare Access Management Policy

Exhibit 4: Certificate of Insurance (Evidence of Coverage)

Exhibit 5: Statement of Work

Exhibit 6: South Lake Tahoe Professional Services Agreement (applicable to implementation services only)

EXHIBIT 1
Solutions(s) and Services Fee Schedule

Quote #: Q-139731

WHAT SOFTWARE IS INCLUDED?

	PRODUCT NAME	QUANTITY	UNIT PRICE	TOTAL
1.	AnalyticsNOW Cloud Annual Access Fee	1	7,500.00	7,500.00
2.	Bluebeam Server API for TRAKiT Annual Access Fee	1	2,100.00	2,100.00
3.	Community Development: Advanced Annual Subscription Fee SaaS	30	1,900.00	57,000.00
4.	eTRAKiT Credit Card API Annual Access Fee	1	2,500.00	2,500.00
5.	TRAKiT CSLB Integration Annual Access Fee	1	3,500.00	3,500.00
			Software Total	72,600.00 USD

WHAT SERVICES ARE INCLUDED?

	DESCRIPTION	TOTAL
1.	Community Development: Advanced SaaS Subscription Cloud Setup Fee	10,000.00
2.	Public Administration Consulting Services - Fixed Fee	59,280.00
3.	Public Administration Data Conversion Services - Fixed Fee	31,005.00
4.	Public Administration Development Services - As Incurred	26,640.00
5.	Public Administration GIS Services - Fixed Fee	15,600.00
6.	Public Administration Project Management Services - Fixed Fee	34,125.00
7.	Public Administration Technical Services - Fixed Fee	8,970.00
8.	Public Administration Training Services - Fixed Fee	21,255.00
	Services Total	206,875.00 USD

QUOTE SUMMARY

Software Subtotal	72,600.00 USD

Services Subtotal	206,875.00 USD
Quote Subtotal	279,475.00 USD
Quote Total	279,475.00 USD

RECURRING FEES

TYPE	AMOUNT
FIRST YEAR MAINTENANCE TOTAL	0.00
FIRST YEAR SUBSCRIPTION TOTAL	$72,600.00

The amount totals for Maintenance and/or Subscription on this quote include only the first year of software use and maintenance. Renewal invoices will include this total plus any applicable uplift amount as outlined in the relevant purchase agreement.

Payment Terms:

a. Cloud Set Up Fee is due 100% upon Execution.
b. CentralSquare Fixed Fee Professional Services are due 50% upon execution and 50% upon completion of Services.
c. CentralSquare As Incurred Professional Services are due monthly As Incurred on a time and materials basis.
d. If applicable, Annual Subscription/Access Fees are due on the Go-Live Date, and annually thereafter on the anniversary of the Go-Live Date.
e. Annual Support & Maintenance Fees are due as follows:
   i. End Billing with Continued Support. Upon commencement of billing for the Annual Subscription/Access Fee, Customer acknowledges the termination of the current maintenance billing structure for any legacy products that will be effectively replaced by modules listed in Exhibit 1. CentralSquare shall continue to provide Customer with Maintenance of these products until the transition to a new environment is complete, at which time Maintenance will be terminated.
   ii. Credit. A credit in the amount of the unused portion of Maintenance paid by Customer, if any, shall be applied towards Customers first Annual Subscription/Access Fee. The unused portion of paid Maintenance will consist of the amount unused as of Go-Live Date.
f. Annual Software Maintenance Fees and Annual Subscription/Access Fees shall increase by 3% for year two, 4% for year three, and 5% year over year thereafter.
g. If applicable, non-subscription Hardware Fees are due on the Effective Date.
h. If applicable, Third-Party Fees are due on the Effective Date.
i. If applicable, Travel expenses shall be due as incurred, invoiced on a monthly basis for the travel expenses incurred in the preceding month.

j. Customer must pay all applicable support fees for its existing Superion system up to the date of Go Live for the CentralSquare software in order to receive the upgrade discount.

Invoice Terms:

CentralSquare shall provide an invoice for the items in the schedule above no less than thirty (30) days prior to the due date.

Ancillary Fees:

a. Customer is responsible for paying all taxes relating to this Agreement. Applicable tax amounts (if any) are not included in the fees set forth in this Agreement. If Customer is exempt from the payment of any such taxes, Customer must provide CentralSquare valid proof of exemption; otherwise, CentralSquare will invoice Customer and Customer will pay to CentralSquare all such tax amounts.

b. To the extent allowable by law, if Customer fails to make any payment when due, then CentralSquare may charge interest on the past due amount at the rate of 1.5% per month calculated daily and compounded monthly, or, if lower, the highest rate permitted under applicable law; and if such failure continues for 90 days following written notice thereof, CentralSquare may suspend performance or access until past due amounts have been paid.

EXHIBIT 2
Maintenance & Support

This Maintenance & Support Exhibit describes support and maintenance relating to technical support that CentralSquare will provide to Customer during the Term of the Agreement.

1. Product Updates and Releases

1.1. Software Version. "Software Version" means the base or core version of the Software that contains significant new features and significant fixes and is available to the Customer. Software Versions may occur as the Software architecture changes or as new technologies are developed. The nomenclature used for updates and upgrades consists of major, minor, build, and fix and these correspond to the following digit locations of a release, a,b,c,d. An example of which would be 7.4.1.3, where the 7 refers to the major release, the 4 refers to the minor release, the 1 refers to the build, and the 3 refers to a fix. All Software Versions are provided and included as part of this Agreement.

1.2. Updates. From time to time CentralSquare may develop permanent fixes or solutions to known problems or bugs in the Software and incorporate them in a formal "Update" to the Software. If Customer is receiving technical support from CentralSquare on the general release date for an Update, CentralSquare will provide the Customer with the Update and related Documentation at no extra charge. Updates for custom configurations will be agreed upon by the Parties and outlined in a Statement of Work or Change Order.

1.3. Releases. Customer shall agree to install and/or use any New or Major Release within one year of being made available by CentralSquare to avoid or mitigate a performance problem, ineligibility for Support and Maintenance Services or infringement claim. All modifications, revisions and updates to the Software shall be furnished by means of new Releases of the Software and shall be accompanied by updates to the Documentation whenever CentralSquare determines, in its sole discretion, that such updates are necessary.

2. Support

2.1. CentralSquare shall provide to Customer support via toll-free phone number *833-278-7877* or via the CentralSquare Support Portal. CentralSquare shall provide to Customer, commercially reasonable efforts in solving errors reported by the Customer as well as making available an online support portal. Customer shall provide to CentralSquare reasonably detailed documentation and explanation, together with underlying data, to substantiate errors and to assist CentralSquare in its efforts to diagnose, reproduce and correct the error. Should either Party not be able to locate the error root cause and Customer and CentralSquare agree that on-site services are necessary to diagnose or resolve the problem CentralSquare shall provide a travel estimate and estimated hours in order to diagnose the reported error.

2.2. If after traveling onsite to diagnose a reported error and such reported error did not, in fact, exist or was not attributable to a defect in the Software provided by CentralSquare or an act or omission of CentralSquare, then Customer shall pay for CentralSquare's investigation, travel, and related services in accordance with provided estimate. Customer must provide CentralSquare with such facilities, equipment and support as are reasonably necessary for CentralSquare to perform its obligations under this Exhibit, including remote access in accordance with the Remote Access Policy.

3. Online Support Portal

Online support is available via https://support.centralsquare.com/s/contact-us, offering Customer the ability to resolve its own problems with access to CentralSquare's most current information. Customer will need to enter its designated username and password to gain access to the technical support areas on CentralSquare's website. CentralSquare's technical support areas allow Customer to: (i) search an up-to-date knowledge base of technical support information, technical tips, and featured functions; and (ii) access answers to frequently asked questions (FAQ).

4. Exclusions from Technical Support Services

CentralSquare shall have no support obligations to provide Support or Maintenance for Solutions that are not kept current to one version prior to the then current version of the Solution. CentralSquare shall have no support obligations with respect to any third-party hardware or software product not licensed or sold to Customer by CentralSquare ("Nonqualified Product"). Customer shall be solely responsible for the compatibility and functioning of Nonqualified Products with the Software.

5. Customer Responsibilities

In connection with CentralSquare's provision of technical support as described herein, Customer acknowledges that Customer has the responsibility to do each of the following:

5.1 Provide hardware, operating system and browser software that meets technical specifications, as well as a fast, stable, high-speed connection and remote connectivity for accessing the Solution.

5.2 Maintain any applicable computer system and associated peripheral equipment in good working order in accordance with the manufacturers' specifications, and ensure that any problems reported to CentralSquare are not due to hardware malfunction;

5.3 For CentralSquare Solutions that are implemented on Customer Systems, maintain the designated operating system at the latest code revision level reasonably deemed necessary by CentralSquare for proper operation of the Software;

5.4 Supply CentralSquare with access to and use of all information and facilities reasonably determined to be necessary by CentralSquare to render the technical support described herein;

5.5 Perform any test or procedures reasonably recommended by CentralSquare for the purpose of identifying and/or resolving any problems;

5.6 At all times follow routine operator procedures as specified in the Documentation or any error correction guidelines of CentralSquare posted on the CentralSquare website;

5.7 Customer shall remain solely responsible at all times for the safeguarding of Customer's proprietary, confidential, and classified information contained within Customer Systems; and

5.8 Reasonably ensure that the Customer Systems are isolated and free from viruses and malicious code that could cause harm before requesting or receiving remote support assistance.

6. Priorities and Support Response Matrix

The following priority matrix relates to software errors covered by this Agreement. Causes secondary to non-covered causes - such as hardware, network, and third-party products - are not included in this priority matrix and are outside the scope of this Exhibit. CentralSquare will make commercially reasonable efforts to respond to Software incidents for live remote based production systems using the following guidelines:

Priority	Issue Definition	Response Time
Priority 1 – Urgent	The software is completely down and will not launch or function.	Priority 1 issues must be called in via 833-278-7877 and will be immediately answered and managed by the first available representative. CentralSquare will respond to urgent requests within 1 hour. These issues will be resolved, or a resolution plan provided, within 24 hours.
Priority 2 – Critical	A high-impact problem that disrupts the customer's operation but there is capacity to remain productive and maintain necessary operations.	Priority 2 issues must be called in via 833-278-7877 and will be immediately answered and managed by the first available representative. CentralSquare will respond to critical requests within 2 hours.
Priority 3 – Non-Critical	A Software Error related to a user function which does not negatively impact the User from the use of the system. This includes system administrator functions or restriction of user workflow but does not significantly impact their job function.	Priority 3 issues called in via 833-278-7877 will be immediately answered and managed by the first available representative. Non-Critical Priority 3 issues may also be reported via Https://support.centralsquare.com/s/contact-us CentralSquare will respond to non-critical requests within 4 hours.
Priority 4 – Minor	Cosmetic or documentation errors, including Customer technical questions or usability questions.	Priority 4 issues called in via 833-278-7877 will be immediately answered and managed by the first available representative. Minor Priority 4 issues may also be reported via Https://support.centralsquare.com/s/contact-us CentralSquare will respond to minor requests within 24 hours.

7. Exceptions. CentralSquare shall not be responsible for failure to carry out its Support and Maintenance obligations under this Exhibit if the failure is caused by adverse impact due to:

7.1. defectiveness of the Customer's Systems (including but not limited to environment, hardware or ancillary systems), or due to Customer corrupt, incomplete, or inaccurate data reported to the Solution, or documented defect.

7.2. denial of reasonable access to Customer's System or premises preventing CentralSquare from addressing the issue.

7.3. material changes made to the usage of the Solution by Customer where CentralSquare has not agreed to such changes in advance and in writing or the modification or alteration, in any way, by Customer or its subcontractors, of communications links necessary to the proper performance of the Solution.

7.4. a Force Majeure event (as outlined in Section 12), or the negligence, intentional acts, or omissions of Customer or its agents.

8. Incident Resolution. Actual response times and resolutions may vary due to issue complexity and priority. For critical impact level and above, CentralSquare provides a continuous resolution effort until the issue is resolved. CentralSquare

will make commercially reasonable efforts to resolve Software incidents for live remote based production systems using the following guidelines:

Priority	Resolution Process	Resolution Time
Priority 1 – Urgent	CentralSquare will provide a procedural or configuration workaround or a code correction that allows the Customer to resume live operations on the production System.	CentralSquare will work continuously to provide the Customer with a solution that allows the Customer to resume live operations on the production system. CentralSquare will either resolve the issue or provide a resolution plan as soon as possible and not later than twenty-four (24) hours after notification.
Priority 2 – **Critical**	CentralSquare will provide a procedural or configuration workaround or a code correction that allows the Customer to resume normal operations on the production System.	CentralSquare will work continuously to provide the Customer with a solution that allows the Customer to resume normal operations on the production System. CentralSquare will either resolve the issue or provide a resolution plan as soon as possible and not later than thirty-six (36) hours after notification.
Priority 3 – Non – Critical	CentralSquare will provide a procedural or configuration workaround that allows the Customer to resolve the problem.	CentralSquare will work to provide the Customer with a resolution which may include a workaround or code correction within a timeframe that takes into consideration the impact of the issue on the Customer and CentralSquare's User base. Priority 3 issues have priority scheduling in a subsequent release.
Priority 4 – Minor	If CentralSquare determines that a reported Minor Priority error requires a code correction, such issues will be addressed in a subsequent release when applicable.	CentralSquare will work to provide the Customer with a resolution which may include a workaround or code correction in a future release of the software. Priority 4 issues have no defined resolution time.

9. **Non-Production Environments.** CentralSquare will make commercially reasonable efforts to provide fixes to non-production environment(s). Non-production environments are not included under the response or resolution tables provided in this Exhibit.

   9.1. Maintenance. All non-production environment resolution processes will follow the structure and schedules outlined above for production environments.

   9.2. Incidents and service requests. Non-production environment incidents are considered priority 3 or 4, dictated by circumstances and will be prioritized and scheduled subordinate to production environment service requests.

10. **Training.** Outside the scope of training services purchased, if any, Customer is responsible for the training and organization of its staff in the operation of the Software.

11. **Development Work.** Software support and maintenance does not include development work either (i) on software not licensed from CentralSquare or (ii) development work for enhancements or features that are outside the documented functionality of the Software, except such work as may be specifically purchased and outlined in the Agreement. CentralSquare retains all intellectual property rights in development work performed and Customer may request consulting and development work from CentralSquare as a separate billable service.

12. **Technology Life Expectancy**. Customer understands, acknowledges and agrees that the technology upon which the Hardware, Solution and Third-Party Software is based changes rapidly. Customer further acknowledges that CentralSquare will continue to improve the functionality and features of the Solution to improve legal compliance, accuracy, functionality and usability. As a result, CentralSquare does not represent or warrant that the Hardware, Solution and/or Third-Party Software provided to Customer under this Agreement or that the Customer Systems recommended by CentralSquare will function for an indefinite period of time. Rather, CentralSquare and Customer may, from time to time, analyze the functionality of the Hardware, Solution, Third-Party Software and Customer Systems in response to changes to determine whether Customer must upgrade the same. Customer upgrades may include without limitation, the installation of a new Release, additional disk storage and memory, and workstation and/or server upgrades. Customer upgrades may also include the installation and/or removal of Third-Party Software. Customer is solely responsible for all costs associated with future resources and upgrades.

EXHIBIT 3
CentralSquare Access Management Policy

In order to provide secure, federally compliant connections to agency systems CentralSquare Technologies ("CentralSquare") requires BeyondTrust or SecureLink as the only approved methodology of connection. BeyondTrust and Securelink provide the necessary remote access in order to service and maintain CentralSquare products while adhering to the Federal Bureau of Investigations Criminal Justice Information Services requirements. Both solutions utilize two-factor authentication Federal Information Processing Standard Publication ("FIPS") 140-2 validated cryptographic modules and AES encryption in 256-bit strengths.

BeyondTrust and Securelink are addressed in turn via this Access Management Policy; Customers may choose which remote privileged access management solution will be utilized by CentralSquare.

BeyondTrust

The BeyondTrust remote support solution may be utilized via escorted session or a jump Customer. As for an escorted session, when an agency needs assistance from CentralSquare, the agency employee requesting assistance will receive verbal or email communication with a session key necessary to enable remote access. If a verbal key is provided, the user enters the session key after visiting https://securesupport.centralsquare.com.

Jump Customers are a Windows service that can be stopped/started to facilitate a support session. Connections made via jump Customer can be active or passive. An active jump Customer is always available. A passive connection is enabled for a specific purpose and then disabled when not used. Regardless of the option selected, CentralSquare's support team will arrange a BeyondTrust session to establish the jump Customer.

The jump Customer resides on the agency side on the installed device, where an agency administrator can manage. Instructions on how to enable/disable jump Customers can be provided upon request. A sample workflow of a passive jump Customer is provided below:

> *Should an agency require support from CentralSquare, a call would be placed and/or a support ticket opened in the portal on the CentralSquare customer support website. Before accessing the agency's system and/or environment, the CentralSquare representative would send a notice of connection from the CentralSquare support portal instance. This notice can be sent to the individual at the agency that the CentralSquare representative is working with or other designated contacts as necessary. Upon receipt of the notice of connection, the agency personnel would enable the BeyondTrust jump Customer. The CentralSquare representative would then be admitted to the agency's system and/or environment to perform the necessary task. Upon completion of the task, the CentralSquare representative sends a notice of disconnection from the CentralSquare support portal instance. Upon receipt of the notice of disconnection, the agency personnel would then disable the BeyondTrust jump Customer.*

Securelink

Similar to BeyondTrust's escorted session, Securelink may be utilized via "quick connect". To enable a quick connect session when an agency needs assistance from CentralSquare, the Agency employee requesting assistance will enter a key code in order to connect for screen sharing on a device.

Similar to the jump Customer methodology, SecureLink may also be utilized via "gatekeeper". The sample workflow description for a jump Customer provided above is substantially similar to the workflow for gatekeeper.

Summation

BeyondTrust and Securelink allow customers the ability to monitor connectivity to the customer's network and maintain CJIS compliance while enabling CentralSquare to perform the necessary support functions.

EXHIBIT 4

Certificate of Insurance (Evidence of Coverage)

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/12/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
MARSH USA, INC.
TWO ALLIANCE CENTER
3560 LENOX ROAD, SUITE 2400
ATLANTA, GA 30326

CN130114897-EO/C-GAWU-22-23

INSURED
CentralSquare Technologies, LLC
1000 Business Center Drive
Lake Mary, FL 32746

CONTACT NAME:
PHONE (A/C, No, Ext): **FAX (A/C, No):**
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A :	The Charter Oak Fire Insurance Co.	25615
INSURER B :	Phoenix Insurance Company	25623
INSURER C :	Travelers Property Casualty Company Of America	25674
INSURER D :	Travelers Casualty And Surety Company	19038
INSURER E :	AIG Specialty Insurance Company	26883
INSURER F :		

COVERAGES **CERTIFICATE NUMBER:** ATL-005494481-00 **REVISION NUMBER:** 0

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	X COMMERCIAL GENERAL LIABILITY			H-630-6S758660-COF-22	08/31/2022	08/31/2023	EACH OCCURRENCE	$	1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$	
							MED EXP (Any one person)	$	10,000
							PERSONAL & ADV INJURY	$	1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$	2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$	2,000,000
	OTHER:							$	
B	AUTOMOBILE LIABILITY			BA-6S783539-22-I3-G	08/31/2022	08/31/2023	COMBINED SINGLE LIMIT (Ea accident)	$	1,000,000
	ANY AUTO						BODILY INJURY (Per person)	$	
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$	
	X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$	
								$	
C	X UMBRELLA LIAB / OCCUR			CUP-6S801390	08/31/2022	08/31/2023	EACH OCCURRENCE	$	10,000,000
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$	10,000,000
	DED X RETENTION $ 10,000							$	
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			UB-6S783668-22-I3-G	08/31/2022	08/31/2023	X PER STATUTE / OTH-ER		
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: N	N / A					E.L. EACH ACCIDENT	$	1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$	1,000,000
							E.L. DISEASE - POLICY LIMIT	$	1,000,000
E	E&O/Cyber			015930626	09/30/2022	08/31/2023	Limit		5,000,000
							SIR		1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Insurance

CERTIFICATE HOLDER

CentralSquare Technologies LLC
1000 Business Center Drive
Lake Mary, FL 32746

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE of Marsh USA Inc.

John Whittle

© 1988-2016 ACORD CORPORATION. All rights reserved.

ACORD 25 (2016/03) **The ACORD name and logo are registered marks of ACORD**

EXHIBIT 5

Implementation Statement of Work

Project: South Lake Tahoe, CA – Community Development (Q-139731)

CentralSquare is implementing a configurable, commercially available, off-the-shelf solution. The parties mutually agree and acknowledge this Statement of Work (SOW) is to be a planning document, not the detailed requirements or design of the solution.

- Project Start Date

Parties agree the Project Kickoff Meeting will be scheduled within thirty (30) days from the Effective Date of the Agreement.

Scope of Project

The project includes the CentralSquare core system Community Development as detailed in Appendix A of this SOW.

- Services Scope

The following outlines the proposed methodology for the project management, consulting, configuration, testing, training, and other services work necessary for the implementation of the contracted products, with all components delineated in the Agreement. Details related to the activities for each application included in this project can be found in Appendix A of this SOW.

Project Teams

Project teams from all parties will include functional experts, technical resources, and decision makers. Resource management is critical to success, for all parties. CentralSquare and the Customer agree to make all necessary arrangements to ensure resources are available at each stage to ensure timelines are met. CentralSquare uses a RACI (Responsible, Accountable, Consulted, and Informed) chart to outline the expectations from each member of the team, from all parties. CentralSquare's RACI Chart can be found in Appendix B of this SOW.

Project Management Methodology

The implementation is conducted by a cross-functional team of experts from several departments within CentralSquare led by the assigned Project Manager. A phased approach to project management is followed to ensure the critical services are consistent and results are achieved. Phases include:

Initiation: This phase includes the contract execution and transition to the Service Delivery team. CentralSquare may schedule an all-team meeting to kick off the project. The kickoff meeting will include time for the project managers from both teams to review all contractual documentation and begin the process of finalizing the integrated project schedule.

Planning: During the planning phase, the project managers from both teams will meet to discuss all tasks and resources necessary to successfully complete implementation. The project team from CentralSquare will be finalized, project governance will be established, and a communications plan will be drafted and shared with the parties.

Deliverables during the planning phase include the integrated baseline project schedule, communications plan, resource plan, and governance plan.

Monitor and Control: Throughout the project, the project managers will work together on monitoring and controlling the overall project health. This includes regular status meetings/reports, quality reviews, managing risks/issues, and managing resources. Status meetings will be held bi-weekly, or on an otherwise mutually agreed upon schedule. Project managers will work together to manage the overall timeline, scope, and respective budgets, as well as ensuring the customer's

objectives are being met along the way. Any items determined to be out of scope will be immediately addressed by the Central Square and customer Project Managers.

Project governance is essential to establishing a decision making and communications model for the project. Key stakeholders will be identified by all parties and regular status meetings will be scheduled to review the project health, risks to timeline/budget, and issues that may block forward progress.

Deliverables during this phase include regular status reports, risk/issue log, regular stakeholder meetings, and all project schedule updates.

Project Close Out: The final stage of the project includes an introduction and transition to the Customer Support team and the Customer Success team. During transition, the project managers will work together to conduct an audit of tasks and deliverables associated with the project. Any mutually agreed upon delayed deliverables will be scheduled for post go-live and documented. Any contracted post go-live activities will be reviewed and scheduled as necessary before transition to Customer Support.

Implementation Methodology

CentralSquare Professional Service Consultants and Project Manager follow a standard implementation approach divided into stages throughout the course of the project. Several types of services and resources (defined herein) will be used during each stage to complete the necessary steps for successful deployment of the contracted services. The Services aligned to implementation include Consulting, Technical and Installation, Data Conversion, and Training. The implementation methodology is a four-stage approach that includes:

Analysis: During this stage of the implementation, CentralSquare Consultants will meet with the Customer's functional experts to review the current workflows of key functions impacted by this project and the contract software. Decisions related to configuration will be documented in the CentralSquare Decision Workbooks for each major product and delivered to the customer for review and concurrence. Where necessary, CentralSquare Data Conversion Specialists will meet with the data experts from the Customer and review the contracted elements for conversion. Deliverables during this stage include the Decision Workbooks for each product and the data mapping for conversion.

Configuration: Using the decisions documented in the Decision Workbooks during the Analysis stage, CentralSquare will begin work with the customer to configure the system. CentralSquare will also work with the customer functional experts, as needed, to configure interfaces and complete data conversion. All admin level workshops will be completed during the configuration stage of the project: Customer should ensure key project resources are available for consultation and workshops; and customer should be prepared to host training in adequate environments. Appendix A will define workshops specific to this project and deliverables as applicable during this stage.

Testing: It is expected there will be modifications to current customer processes to align to the functionality of the newly contracted products; as such, validation through appropriate reasonable testing at various stages is critical to a successful deployment. CentralSquare uses an iterative testing approach to ensure the configurations are properly set to achieve the desired outcomes. During the testing stage of the project, the project teams will work together to ensure workflows and business processes are aligned to the application functionality. Once testing is complete, application user training will begin (see the appendix for an overview of training included in this project). Deliverables during the testing stage include Test Plans and Go-Live Readiness assessments.

Deployment: Once the project passes the Go-Live Readiness assessment, final planning for Go-Live takes place. This will include completing end user training, defining a communications plan for Go-Live, and defining a Go-Live schedule that is mutually accepted. Deliverables during the deployment stage include a go-live plan, cutover schedule, and communications plan.

Professional Services

Consulting Services: Include both interactive and independent engagements with CentralSquare subject matter experts on the various applications and functions. Types of activities included in Consulting Services are customer workflow analysis, application workshops, and configuration assistance. Also included in the consulting activities are engagements aimed at supporting the customer with testing and go-live activities. More detail on the engagement related to Consulting Services related to this project can be found in Appendix A.
A successful consultation includes multiple platforms of learning and training; therefore, the customer will provide ample workspace in order to be successful in this type of engagement. Network connections, training facilities that include computers, projectors, Wi-Fi access, recommended network configurations in place, and scheduling considerations are imperative so that all who would benefit from collaboration and training may attend.

Technical Services: Provides technology consulting at the infrastructure layer including CentralSquare applications requirements for servers, operating systems, and other various supporting products like SQL and Active Directory. Technical Services are engaged in tasks related to interfaces and integration implementation configuration and knowledge transfer. Refer to Appendix A for contracted Technical Services.

Technical Services also includes activities related to hardware installation (as necessary) and the initial software installation of CentralSquare applications. This includes the services for the provisioning of additional environments for the contracted applications: application environments included in this contract are Production (Pre-Production during implementation), Training/Testing, and Data Conversion (where applicable).

- The Pre-Production environment will become the Production environment upon Go-Live. All activities related to configuration, testing, and training will take place in the Pre-Production environment. Prior to Go-Live, CentralSquare will scrub the Pre-Production environment of all training and testing data and prep for Production Go-Live.
- The Data Conversion environment will be provisioned to align with the Pre-Production environment. This environment will be used as a working/staging environment for data conversion activities during implementation. Once the data conversion activities are complete, the environment will be decommissioned.
- The Training/Test environment will be provisioned in the weeks leading up to Go-Live in an effort to minimize the additional work needed to keep environments aligned.

Once the Training/Testing environment has been completed, and the Production environment is live, the ongoing maintenance for configuration alignment between the two environments will be the responsibility of the Customer.

Communication

Project Status Cadence Meetings: Project status cadence meetings, scheduled as determined by the CentralSquare and Customer Project Managers, establish the status of the project; achievements over a defined iterative period, risk mitigation, issue review, and assurance of awareness of upcoming activities. Continuity in the meeting schedule is critical to early intervention of risks and issues. Project Status and Issues/Risks Reporting: In addition to the regularly scheduled Project Status Meetings, the CentralSquare Project Manager provides two key types of reports as part of the Communication Plan.

The Project Status Report, distributed to key stakeholders at a frequency to be determined based on the needs of the Customer (typically bi-weekly or monthly), summarizes milestones completed, as well as recent and upcoming project activity.

The Issues Log updated continually by the CentralSquare Project Manager, tracks entry and management of project issues identified by CentralSquare or the Customer. Log entries include status updates, action items, and responsibilities of both parties. Risks and issues tracking log adjustments are mutual agreement by the CentralSquare and Customer Project Manager.

The Customer and CentralSquare agree that the individuals designated in the final project plan are essential to the services offered pursuant to this Agreement. The Customer and CentralSquare should anticipate challenging issues to arise throughout the implementation process due to the nature and complexity of projects of this type. For expedient remedying of challenging issues, the Customer and CentralSquare will use the following dispute resolution process.

All communication regarding the project directed to CentralSquare's Project Manager and the Customer's Project Manager maintain consistent communication between the parties. Regularly scheduled project status meetings maintain open communication between the CentralSquare and Customer Project Manager.

All issues or concerns are to be openly and actively discussed between CentralSquare's Project Manager and the Customer's Project Manager prior to any escalation.

If issues begin to interfere with the progression of the implementation project, the Customer and/or CentralSquare Project Manager should escalate challenges to senior management representatives.

Escalation to CentralSquare management is as follows:
Customer and CentralSquare will provide escalation personnel to Project Managers during Kick-Off phase of the project.

Data Conversion Services: CentralSquare uses an iterative and collaborative approach to data conversion. This includes the initial data analysis, data mapping, and performing sample conversions for validation prior to executing the final conversion into Production. CentralSquare will provide training on the proper use of CentralSquare's data mapping tools to the customer's appropriate staff. CentralSquare consultants will work with the customer to ensure a thorough understanding of the validation requirements necessary to evaluate converted data for completeness and accuracy. Finally, CentralSquare Data Conversion Consultants will provide a final plan for converting data into the Production environment aligned to the Go-Live schedule and will review this plan with the appropriate customer staff.

For a successful data conversion, the customer will provide the necessary dataset in one of the following formats: SQL, Microsoft Excel, Microsoft Access, or delimited flat file. While CentralSquare will collaborate with the customer staff on the best practice approach to validation of converted data, it is ultimately the responsibility of the customer to ensure the validation is prioritized for timely completion and data is verified for accuracy. Up to three iterations of translation, conversion, and review are performed for each dataset; therefore, it is imperative to have sufficient time allotted for effective review at each iteration. Detailed documentation in writing will be required from the customer staff for any discrepancies or issues found during the data review. See Appendix A for the data conversion contracted for this project.

Training Services
Utilizing a global methodology for user training across all product lines ensures the preparation, documentation, and delivery of training is effective across all of CentralSquare branded core applications, add-ons, and interfaces. Training sessions can occur through multiple vehicles such as live-online, e-learning on demand, and face-to-face classroom settings. CentralSquare Consultants work with customer administration and subject matter experts to establish a training plan to include the course objectives, schedule, location(s), and participants.

CentralSquare provides a hands-on, interactive approache to user training: End-User and Train-the-Trainer.

- End-Users are defined as employees who will access the application(s) on a regular basis to perform their daily activities. End-User classes incorporate various functions based on realistic scenarios focused on process using the applications inherent tools to ensure productive use of the system at and after Go-Live. Topics in End-User courses will include data entry, searching, reporting, and application navigation.
- Train-the-Trainer courses are designed to prepare the Customer's trainers to conduct End User training. CentralSquare uses a teach and teach-back approach for Train-the-Trainer to allow for our Consultants to evaluate the Trainer's knowledge and ability to convey methodology appropriate to the use of the CentralSquare applications.

Successful training relies on the customer to dedicate assigned personnel to attend sessions limiting the interruptions of normal work duties. To ensure training is most successful the Customer will provide appropriate classrooms, facilities, connectivity (networks and lines to data terminals), devices with system software installed, and related equipment/materials to support each training class. With a hands-on and interactive approach to training, every effort should be made to include one full-function workstation per student, one full-function workstation for the instructor, necessary projection equipment, a whiteboard, and network connectivity. Every attendee should have the prerequisite skill sets, operations knowledgebase, and dedicated time to complete follow-up tasks after the completion of the training. See Appendix A for an overview of End-User training associated with this project.

APPENDIX A: Application Deployment Strategies

PRODUCT: COMMUNITY DEVELOPMENT

Analysis:

To begin, we jointly perform a comprehensive analysis of your current state processes related to core system functionality. In this stage we also begin the process of data conversion by analyzing your legacy data. Significant tasks include:

Major Task	*Description*
Business Process Review	Consultant meets with different areas of Community Development reviewing and analyzing all key business processes. All sessions will be discussions on processes relating to that area within Community Development. Deliverable: Community Development Formal BPR Report and Recommendations.
Workbook Introduction	The consultant will introduce and walk through the workbooks which will be used to capture the existing state of the client's applicable Community Development modules.
Data Migration Mapping	The consultant will work closely with the agency's legacy data expert, to review the source data and map it to the proper target data field in Community Development

Monitor & Control:

During this phase, the consultant has become familiar with your configuration requirements, processes, and current workflows. With this knowledge, we will deliver your configured system and converted legacy data into your new pre-production environment. Next, our consultant will provide guidance as you begin iterative testing that will continue throughout the remainder of the implementation. Also, our data conversion team guides you through testing your converted data and Admin training begins. Significant tasks include:

Major Task	*Description*
The Work-Booking Process	The Consultant will work with the client remotely across multiple sessions to refine the workbooks to a final state of acceptance.
System Configuration	CentralSquare Technologies configures system according to signed Decision Workbooks. Client provides additional information as needed.
Python Scripting and Geo Database Delivery	The GIS Specialist builds Python scripting by GEOTYPE (example: Parcel, Address, Street) based on the Land Management Workbook to gather required data to populate the appropriate Community Development database tables for initial delivery and installation at the client's site.Upon completion of the scripting, the GIS Specialist delivers the GEO database to the Database Specialist for inclusion in the initial delivery of the client's testing database.
Configuration Validation	CentralSquare Consultant completes the Configuration Validation checklist of the system to verify system is configured to meet the requirements.
Admin Skills Workshops	Training classes, designed as hands-on workshops, include building code tables, picklists, system settings, and assignment of security permissions. Designed for supervisors, system administrator, and staff with decision-making authority. Please see below for more details.

Modules included	*Definition of Module*
Property Data & Ownership Management	Land Management is at the heart of our system, providing comprehensive land data obtained from the assessor's office to ensure accuracy. Users can conduct a preliminary screening of a property and then link a project, or permit directly through Land Management. Combined with industry-leading GIS technology, users receive the power of database technology with digital maps and aerial photos to provide a graphical view of the land record. This allows the

agency to be proficient in performing spatial analysis (i.e., recognizing expiring permits, different zoning criteria) by obtaining the reporting information graphically on the map.

CAPABILITIES INCLUDE:

- View any related County Assessor data
- View related records associated with a parcel
- View GIS details with a single click
- See all subdivisions, land splits, annexations, and site mergers
- View owner details
- Create a permit, project, or case on a land record
- Control parcels, buildings, addresses, and street segments
- Add a warning or lock down a land record
- Manage property inspections
- Define address naming conventions
- Research property and building details
- Print owner merge letters and notifications
- Execute dynamic queries
- Keep historical records

Geographical Information System Mapping

State-of-the-art ESRI GIS Integration allows all development activities such as permits, projects, land management, licensing, and inspections to be managed directly from the parcel fabric. Central Square Community Development leverages your agency's ESRI GIS to enable users to visually search the map for development activity and display results in reports. GIS Integration offers enhanced user controls, allowing users to view related records associated with the parcel, create permits directly from the map, and even run a query to illustrate search results.

This allows the agency to become more efficient in recognizing areas with expiring permits, or different zoning criteria. Rather than running different reports, this information can be graphically represented on the map.

CAPABILITIES INCLUDE:

- Contractors can pay fees for associated permits
- See all subdivisions, land splits, annexations, and site mergers
- Control parcels, buildings, addresses, and street segments
- Manage property inspections
- Define address naming conventions
- Research property and building details
- Create and save spatial bookmarks
- Use multiple internal and public map services
- Use measurement and drawing tools
- Run radius notifications and print owner letters
- Use Network Analyst for routing and directions
- Execute dynamic queries and perform spatial analysis
- Select multiple parcels to combine into a project, permit, or case
- Search or create a permit, project, case, or complaint from the map

- Use common Microsoft Bing maps and Google Street View features

Planning & Zoning

Planning & Zoning manages the workflow for all types of projects, from application to review and approval. The system records all assigned actions and any conditions of approval for future evaluation. Attachment capability allows users to scan plans with mark-ups and link them as part of a project's history.

A time clock function automatically schedules critical points along a project's timeline. This ensures all reviewers stay on target. User-definable screens allow administrators to easily create additional screen templates to track and record unique information.

CAPABILITIES INCLUDE:

- Track phone calls, emails, or letters
- Track reviews in timesheet
- Project review cycles and notes
- Attach different iterations of plans with mark-ups
- Inspection tracking
- Contact management
- Conditions for approval maintained on project
- Detailed reports for fee information, project tree, and more
- Event scheduler for meeting dates, e. g., Planning Commission
- Automatic assignment of reviews
- Unique fee schedule for each application type
- Track engineering and public works projects
- Direct interface to GIS for project management
- Issue multiple permits from a single project
- Create annexations and subdivisions
- Issue project forms
- Attach documents to project records

Permitting & Inspections

Streamline your agency's permitting process by tracking the unique workflows for all types of permits. The Permitting module captures everything your users need, from contact management, related permits, plan review tracking, inspector scheduling, and financial details.

Permits tracked in this module are customized according to your agency's workflow requirements, including permit type, status queues, valuation details, review types, action types, customizable screens, inspection requirements, and fee schedules. Your agency can incorporate unique procedures to ensure timelines are met efficiently, reports are executed properly, and managers are alerted when necessary.

CAPABILITIES INCLUDE:

- Unique workflow for each permit type
- Schedule inspectors by region, permit type, or inspection type
- Review related cases, projects, sites, or permits
- Compare multiple permits side by side
- Manage permit reviews and conditions
- Unlimited user-defined search options
- Copy/duplicate information from another permit

- Require previous inspections
- Create unique job valuations
- User-defined standard comments
- Incorporate unique fee schedules
- Issue permit forms and Certificates of Occupancy
- Use inspection checklists
- Generate public Twitter notifications of permit activity
- Attach documents to permit records
- Track site inspections not associated with a permit record
-
-

Directory for Architects, Engineers & Contractors

AEC Entity provides instant access to all information associated with people who frequently have business with the agency, as it relates to permits and projects. Any type of professional can be tracked, including architects, engineers, contractors, and surveyors to name a few. Common information associated with these contacts can be viewed quickly from a single screen.

You can access insurance information, associated contacts, and related records from AEC Entity. Simply look up the professional or business to associate them as a contact in another module. As a result of AEC's directory integration, users will be prompted prior to adding contacts if there is a warning flag or any outdated insurance information.

CAPABILITIES INCLUDE:

- With the appropriate agency payment vendor, Contractors can pay fees online or in person for associated permits and receive a receipt for payment
- All insurance carrier information can be inserted
- Warning flags prompt users about expired information
- Preview all associated records with the contact
- Chronologically track any communication with contractors
- Track multiple insurance carriers
- Attach photos and proof of insurance to records
- Internet link provided for state licensing information
- Send emails or text message to individuals
- Add new permits and projects from the AEC record
- Restrict information from certain users

Customer Relations Management

The CRM module provides the tools you need to quickly capture and manage citizen issues. Users can effectively monitor, and track issues received through the phone or internet. The system logs opened and closed issues as well as their exact location. Users can also link recurring issues and complainants to ensure issues are handled in an appropriate manner.

Workflow activity tracking is designed with built-in processing and features to help users resolve various issues presented by their citizens. Administrators can customize workflows according to pre-existing or new processes. Users can identify the exact location of an incident by using the GIS map.

CAPABILITIES INCLUDE:

- Route issues for response
- Filter search results

- Link issues to existing cases or permits
- Capture complainant details
- Use GIS map for pin-pointing exact location
- Audit log to ensure staff accountability
- Transfer workflows into other applications within the agency
- Built-in workflow functionality
- Auto-send emails or letters
- Run reports to determine response times
- Track all details associated with the work order
- View entire history of the location
- Route workflows to different departments
- Attach documents to case records

Online Portal for Contractors & Residents

eTRAKiT is a public facing portal that provides access to permit, project, land, and inspection information. Citizens can request inspections, pay fees, upload plans apply for permits and much more through eTRAKiT.

eTRAKiT offers different profile permissions including anonymous searching as well as restricted access to additional details based on the user's role. Contractors have additional functions that enable them to request inspections for their projects. Additionally, if your jurisdiction uses outside plan review agencies or inspectors, eTRAKiT enables them to use back office functions through the portal such as entering results or uploading files.

FEATURES

- Apply for permits and projects online
- Schedule inspections and review online
- Upload application details and submit plans online
- Access to records based on user permissions and profile
- Map-based parcel and address search based on jurisdictions GIS.
- Configure your online portal to match your municipal website
- Outside agencies including plan reviewers and external inspectors can enter data online in an Agency Center
- Contractors have access to record details specific to their role with a historical view of their accounts
- Online payment plugins for variety of payment providers including

    1. Authorize.Net
    2. CardConnect
    3. CardKnox
    4. CSJ (JetPay)
    5. Elavon (Converge)
    6. PayFlowLink (PayPal)
    7. Paymentus
    8. USA ePay
    9. CentralSquare Payments

    Receive receipts for payment

Mobiles	Inspectors and officers can carry information about permits and related inspections on their iPad, Android, or smartphone. Inspectors can modify the inspection status, enter inspection results and notes, schedule inspections, and more, all while in the field. The Mobiles app allows remote users the flexibility to use CentralSquare from an iPad or Android device even without a constant wireless connection. Mobile PDA allows access to the same details provided in the office, from smaller devices such as smartphones and tablets. FEATURES • Result scheduled inspections • Use standard comments • Modify, schedule, and route inspections • View attachments • View and update contact information • View fee details • To-do list of inspections for defined date range • Add a warning or hold to a property • View custom screens unique to each record type and add information • Mapping location uses • Microsoft Bing • Find permits, projects, or cases, through ad hoc search functionality • Contractor access to request inspections • Inspection checklists • Play recorded messages • Send notifications via email
Cognos Reporting	Powerful reporting tool to assist your agency with custom reports and advanced analytics. FEATURES • Workspace-user defined dashboard • Basic Reporting and Analytics

Admin Skills Workshops

Workshop training classes, designed as hands-on workshops, include building code tables, picklists, system settings, and assignment of security permissions. Designed for supervisors, system administrator, and staff with decision-making authority, these workshops kick off the application configuration process for designated project committee members. These classes generally are limited to six participants but may include up to ten (or as determined by mutual agreement of the CentralSquare and Customer Project Managers) and should be attended by those responsible for maintaining user information and code tables, as well as by subject-matter experts in the specific application area. Class time focuses on beginning the building process under the guidance of the assigned CentralSquare trainer, as well as to discuss CentralSquare recommendations regarding potential configuration options as identified during the Functional Analysis Workshop.

Class Title	Training Type	Intended Audience	Topics	Location
Subject Matter Expert Training	Hands-on, Instructor-led Training	System Admins, Client SMEs & Core Team Members	General Navigation, Overview of each module is included, review of client's testing strategy	Remote
Admin Training	Hands-on, Instructor-led Training	System Admins	Covers all modules, designed to train local administrators of the system and covers all areas of configuration with the system	Remote
Cognos Report Writing Training	Hands-on, Instructor-led Training	Staff with some forms & report building experience preferred, but not required	Covers basic report development and using the Cognos report building system, as well as how to manage and run completed reports	Remote

CUSTOM REPORT DEVELOPMENT:

The Report Development team will work directly with the Client to identify reports to be created. The scope includes hours for approximately 20 custom reports or forms. The reports will be chosen by the client in conjunction with the number of hours available for this task. CentralSquare will scope the requested reports and assign hours to each. The Client will then choose and prioritize the reports that are to fit into the available hours. Hours assigned to each report will include specifications, development of the report, and modifications (within scope). Delivery of the reports will be made as they are completed and approved.

DATA CONVERSION:

The data conversion process will start with mapping the client's legacy data from Plus into the Community Development production database format. The process includes three major data refreshes, including the final cut-over for Go Live and any number of minor changes to correct small issues, such as spelling or placement of data within Community Development. The conversion program will be designed to run while the target database is in full operation; however, because of the volume of data being processed, it will be ideal to execute the conversion during a window of minimal usage. Data conversion contracted for this project includes:

Modules To be Converted	*Definition of Module*
Permitting	Legacy permit data currently in the local government agency's current system of record. Generally, this is data representing the agency's construction or remodeling projects for properties within the agency's jurisdiction. It is intended to ensure that the project plans comply with local, state, and national building and construction regulations
Planning & Zoning	Legacy planning & zoning data currently in the local government agency's currently system of record. Generally, this is data representing the agency's development and design of land use and the built environment, including air, water and the infrastructure passing into and out of the agency's jurisdiction. It is intended to ensure that the land use and zoning changes comply with local standards for land use, zoning, and urban planning
Land Parcel Management	The land parcel data commonly includes details of the ownership, precise location, dimensions, and value of individual parcels of land, within the agency's jurisdiction. It is intended to provide comprehensive land details obtained from the agency's source GIS system or Assessor's office, to ensure accuracy

Customer Relations Management	Legacy data that contains historical communications primarily from property owners within the agency's jurisdiction and generally consists of questions, issues, or complaints
Entity Management	The entity data commonly includes details of individuals and businesses that interact with the agency, on a regular recurring basis. It is intended to provide the agency with a quick reference source of contractor, engineer and tradesmen that can be linked to activities within the Community Development system

INTEGRATION/INTERFACES:

Integrations and/or interfaces Included in this project include:

Integration/Interface	Use of System	Type / Frequency	Import/ Export	Interface Method / Future Functionality
Financial Batch Export	Queries system for payments and creates a file to be processed in a 3rd party GL	Batch / Nightly	Export	SQL Stored Procedure & SSRS Report
Financial Web Service	Interface for fee payment processing	On Demand	Import/ Export	File Based DLL
Land Parcel Management Update Routine	Ensures the land parcel data within the system, stays up to date	Batch / Nightly	Import	File Based DLL
Bluebeam	Opens and saves PDFs within the system for plans review and markup	On Demand		File Based DLL
Contractor State Licensing Board (CSLB)	Ensures the contractor data stays up to date. This interface is only available to California Customers	On Demand	Import	File Based DLL
ESRI GIS - Standard	Uses a published rest endpoint from ESRI to display map data with the system	On Demand	Import	Web Services
Online Payment Gateway *<see Note * a. below>*	Interface for credit card payment processing	On Demand	Import/ Export	File Based DLL
Over the Counter Payment Gateway *<see Note * b. below>*	Interface for credit card payment processing	On Demand	Import/ Export	File Based DLL

Notes:

* Client will need to contract with a new payment provider, to accept payments over the counter (OTC) and/or online and provide credentials to CentralSquare within 30 days of project initiation.

a. Supported online Payment Providers
   i. Authorized.Net
   ii. USA ePay
   iii. Elevon (Converge)
   iv. PayFlowPro (PayPal)
   v. Paymentus
   vi. Cardknox
   vii. CardConnect
   viii. CSI (JetPay)
   ix. CentralSquare Payments

b. Supported over the counter Payment Providers
   i. Paymentus
   ii. Cardknox

Testing:

Testing will assess your team's readiness for Go Live. This includes knowledge transfer, end user training, and change management significant tasks include:

Major Task	*Description*
Testing	The testing phase is an iterative process, conducted by the client, to help the consultants check the quality of the legacy data conversion and review the configuration decisions made during the discovery phase of the project. This phase is especially important to ensure a smooth transition before the system launches.
Go Live Support	This session will be used to provide support for Go Live. The topic will be determined by client needs. *See Go Live below.*

TRAINING:

Within Testing and Deployment, End-user training is completed.

End-User Training

End-user training provides hands-on, process-based instruction focusing on key tasks related to users' job responsibilities. With the decision to choose CentralSquare facilitated training, an instructor provides training on the chosen contracted solutions. End-user classes incorporate extensive activities based on realistic scenarios focusing on processes and tools within the applications for productive use of the system at and after Go-Live. These classes generally are limited to 10-12 participants (or as determined by mutual agreement of the CentralSquare and Customer Project Managers). Agendas for each module will be based on specific configuration and workflows established during the implementation. Topics in end-user classes will include data entry, searching, reporting, and application navigation.

Core Solution	Training Type	Intended Audience	Topics	Location
End User Training	Hands-on, Instructor-led Training	All Users of the ComDev System	General Navigation, End to end training of each module based on the specific configuration and workflows established during the implementation	Remote

Other Training Events

Training Type	Training Type	Intended Audience	Topics	Location
Data Querying	Hands-on, Instructor-led Training	Data SMEs	How to create ad-hoc reports using tools within the application.	Remote

Deployment:

Starts with the completion of your production environment. Then, we conduct a mock Go Live. Finally, once both teams agree on readiness, we Go Live. Significant tasks include:

Major Task	*Description*
Configure Production Environment	CentralSquare Consultant completes the Configuration Validation checklist of the system to verify system is configured to meet the requirements.

Major Task	*Description*
Plan Cutover Schedule and Communications	Describes tasks to be handled by CentralSquare and Customer personnel during the initial cutover to Go-Live, including a detailed schedule of CentralSquare personnel covering each shift with resources, process for reporting issues, how they will be handled or escalated, contact names/phone numbers onsite staff, remote and third-party vendors.
Execute Go Live	The Client transitions from their legacy system to the Community Development system and conducts their normal day-to-day business.
Go Live Support	This session will be used to provide support for Go Live. The topic will be determined by client needs. *See Go Live below.*

GO LIVE (additional information):

CentralSquare offers a variety of Go-Live services to augment the Customer's staff during the transition from the legacy product to the CentralSquare solution. Included in this project, the Project Managers will work together to create a Go-Live Plan to include a schedule of events, resource allocation, communications plan, and issue log. Additionally, CentralSquare will support the Go-Live with the following services:

Type of Resource; Role	Number of Days	Onsite or Remote
Consultant: Supporting staff during go live event	5	Remote
CentralSquare Project Manager; Supporting project during go live event	As Needed	Remote

Definitions:

Key Deliverables	Description	Frequency	Owners
Project Management Plan	Guides the project management team to monitor and control expectations, budget, scope, schedule, communication, and quality.	Finalized during the Planning phase during discussions about Project team and timeline	CentralSquare Project Management Team
Project Schedule	Identifies tasks to be completed during the life cycle of the project including the key SOW tasks, resources, durations, milestones, and delivery dates	An updated schedule will be provided as needed	CentralSquare Project Mgr. and Customer Project Manager
Communication Plan	Describes the key project team members from CentralSquare and Customer Executives to Subject Matter Experts, includes, roles and responsibilities, and contract information	Provided at Kick-off and updated as required	CentralSquare Project Manager
Decision Workbook	Workbook that contains customer decisions regarding processes and system configurations.	Provided at Kick-off and updated as required	CentralSquare Consultant
Monthly Status Report	Following regular status meetings, the CentralSquare PM will provide an updated status report	Determined by Customer need during kickoff	CentralSquare Project Manager and Customer Project Manager
Issues Log	Tracks risks and issues, Assignments, progress, mitigation strategies, due dates, and other relevant information for managing risks and issues	Determined by Customer need during kickoff	CentralSquare Project Manager and Customer Project Manager

Risk Register	Classifies the risk based on probability and impact to the overall project and develops mitigation and response plans, where appropriate.	Maintained throughout the course of the Project	CentralSquare Project Manager and Customer Project Manager
Implementation Guide	End-to-end summary of engagements that make up the CST implementation.	Provided at Kick-off and referred to throughout the project	CentralSquare Project Manager
Test Workbook	Workbook that contains all test and assessment cases completed during the implementation.	Provided at Kick-off and updated as required	CentralSquare Project Manager
Go Live Plan	Describes tasks to be handled by CentralSquare and Customer personnel during the initial cutover to Go-Live, including a detailed schedule of CentralSquare personnel covering each shift with resources, process for reporting issues, how they will be handled or escalated, contact names/phone numbers onsite staff, remote and third-party vendors.	A draft will be provided prior to Go-Live, reviewed with the Customer, and finalized for distribution to stakeholders	CentralSquare Project Manager and Customer Project Manager
Services to Support/CSM Project Closeout Report	The delivery of formal closing documents as part of acceptance includes completed project artifacts outlined above, change order summary, lessons learned and recommendations, risk and issues log, customer support transition plan, and description of steady state operations.	Provided at the end of the project	CentralSquare Project Manager

APPENDIX B: RACI Chart

- **R**esponsible (Who is/will be doing this task?)
- **A**ccountable (Who is the decision maker?)
- **C**onsulted (Anyone/stakeholders that can talk about it.)
- **I**nformed (Whose work depends on this task/needs to be kept up to date?)

	Sales	Project Management			RMO		Service Delivery						GIS		Cloud Services		Cust Success	Support	Customer			
	Account Executive	PMO Senior Leadership	PM Manager	Project Manager	RMO Leadership	Resource Planner	SD Senior Leadership	SD Manager	Trainer	Consultant	Installation Specialist	Data Conversion Specialist	GIS Manager	GIS Specialist	Cloud Team Leadership	Cloud Team	Cust Success Manager	Support Analyst	Customer Sponsor	Customer PM	Cust Functional Leads	Customer SME's
Phase 1: Initiation																						
Assigning a Project Manager			R, A	I				I														
Sending Introductory Email to Customer				R, A				I												I		
Performing Contract / Project Setup and Intelligence Review			C	R, A				I														
Sizing a Project for Velocity			C	R, A				C														
Requesting an Implemenation Guide			C	R, A																		
Building Project Folder				R, A																		
Building Initial Draft of Project Artifacts			C	R, A																		
Initially Contacting Third Party Vendors				R, A																		
Requesting Work From the Cloud Team				R, A				I							I	I						
Sending Welcome Package to Customer				R, A						I									I	I	I	I
Conducting Sales to Service Transition Call	C		C	R, A				C	I	I	I	I	C	I		I						
Initially Calling Customer				R, A						I									I	C	I	I
Drafting Initial Project Timeline				R, A		I		C		I									I	C	C	C
Completing Project Initiation Checklist				R, A															I	C	C	C
Phase 2: Planning																						
Performing Project Kickoff	I	I	C	R, A			I	C	C	C	C	C	C	C	I	I			C	C	C	C
Scheduling Resources			I	C	C	R		A,C	I	I	I	I	C	I		I						
Reviewing Project Plan with Customer				R, A						I									I	C	C	C
Receiving Project Plan Customer Signoff		I	I	R, A	I	I	I	I	I	I	I	I	I	I	I	I			C	C	C	C
Completing Project Planning Checklist				R, A															I	C	C	C
Phase 3: Monitor & Control																						
Conducting Cadenced Status Meetings				R, A					C	C	C	C		C		C				C	C	C
Completing Monthly Status Reporting		I	I	R, A			I	I	C	C	C	C	I	C	I				I	I		
Performing Issue Management		I	C	R, A			I	C	C	C	C	C	C	C	I	C			I	C	C	C
Performing Risk Management		I	C	R, A			I	C	C	C	C	C	C	C	I	C			C	C	C	C
Performing Change Control Management				R, A															C	C	C	C
Performing Change Management				C															R, A	R	R	R
Performing Project Health Management		I	C	R, A			I	C	C	C	C	C	C	C	I	C			I	C	C	C
Performing Executive Stakeholder Management		I	C	R, A			I	C	C	C	C	C	C	C	I	C			C	C	I	I
Preparing for Go-Live		I	C	R, A			I	C	C	R	R	C	C	C	C	C	I	I	I	C	C	C
Conducting Go-Live	I	I	C	R, A			I	C	C,R	R	R	R	C	R		R			I	C	C	C
Stage 1: Analysis																						
Workflow Analysis			I	I			I	C	C	R	A	C	C	C					I	C	C	C
Analyze Technical and Functional Requirements			I	I			I	C	C	R	A	C	C	C					I	C	C	C
Data Migration Mapping			I	I			I	C	I	A	C	R	C	C					I	C	I	C
Stage 2: Configuration																						
Build Environment				I			I	I	I	A	R		C	C					I	I	C	C
Configure Environment									C	R	C		C	C					I	I	C	C
Unit Testing				A						R	C		C	C					I	I	C	C
Adminstrative Workshops									R	C			I	I					I	I	C	C
Data Conversion				I				I		A	C	R	I	C					I	I	I	I
Stage 3: Testing																						
Testing				I				I		R	C									I	C	C
Fix Issues and Retest				I				C		R	A	C									C	C
System Sign-Off				A				I		R	C		I	C					I	C	C	C
Knowledge Transfer/User Training				I				I	R													
Go-Live Readiness				A				I		R									I	I	I	I
Stage 4: Deployment																						
Configure Production Environment			I	I			I	I		C	R										C	C
Plan Cutover Schedule and Communications				R				C		C	C								I	C	C	C
Pre-Launch Testing								I		R	C											
Go-Live + Communication		I	C	R				C		C	C								I	I	I	I
Phase 4: Closeout																						
Completing Transition to Support and CSM		I	I	R, A			I	I	I	I	I	I	I	I			R	R		C	C	C
Delivering Post Go-Live Items				R, A					R	R	R	R		R								
Performing Post Go-Live Issue Resolution				R, A					R	R	R	R		R		R		R				
Conducting Closeout Meeting with Customer				R, A															I	C	C	C
Performing Contract Reconciliation				R, A					I													
Completing Lessons Learned		I	C	R, A	I	C	I	C	C	C	C	C	C	C	I	C	I	I				
Archiving Project Folder				R, A																		
Performing Management Review			C	R, A																		
Closing Project in OpenAir				R, A																		
Completing Project Closeout Checklist				R, A																		

APPENDIX C: General GIS Requirements

Introduction

Community Development includes a property record application where users can look up current parcel activity and information related to the parcel. The GIS Module is at the heart of the system and provides comprehensive land data obtained from either the assessor's office or the client's GIS data to ensure accuracy. Users can conduct a preliminary screening of a property and then link a project or permit directly through GIS Module.

The GIS integration requires map services to be provided and maintained by the client, and our Land Management Update Routine (LTUR) performs a one-way update process pushing updates to the Community Development data daily/weekly/monthly outside of business hours.

GIS Data Requirements

All GIS feature classes, also referred to as layers, must have correct geometry in an Esri-recognized local projection. The client is responsible for providing and maintaining GIS data in a consistent format, including the feature class name, location, field schema, projection, etc. Unique types of features, such as parcels, must be provided and maintained in single feature classes. For example, if the client's jurisdiction is crosses two counties who provide street data, the client will need to combine both street data feature classes into a singular layer.

The Land Management Workbook, to be completed by the client, maps the field in the client's GIS data to the appropriate fields in the Community Development database enabling them to appear in the system. Data attribute requirements are limited; however, missing attributes will result in empty values for the associated attributes in the system. A limited number of user-defined fields are available in the system to enable the client to include attributes that our outside of the standard fields.

GeoTypes

GeoTypes are the core GIS features integrated into Community Development and include any of the following features:

- Parcels: required
- Address Points: recommended
- Streets: recommended
- Others can be discussed with the GIS Specialist during the initial consultation

A dedicated ID field (string data type) is required for each GeoType feature class except for parcels, which should use the Assessor's ID for that purpose. Each ID value must be unique across GeoTypes, and the ID and other critical fields are required to be present in the primary published map service. Condominiums may be represented with stacked parcels.

Boundary / Polygon Layers

Typical boundary layers include zoning, city limits, historical districts, flood zones, etc. A limited number of spatial joins can be configured by CentralSquare to add attributes from boundary data to the GeoTypes to enable full functionality. The most common example is joining the zoning layer to the parcel data.

ArcGIS Enterprise (Server) Requirements

Community Development requires map services to be published with Esri's ArcGIS Enterprise or ArcGIS Server. The ArcGIS instance does not need to be solely dedicated to this purpose but must meet the requirements below.

- ArcGIS Enterprise versions 10.3.1 to 10.8 *(check with CentralSquare on later version compliance)*

- Authentication/Security
    - The client must provide CentralSquare with login credentials for an ArcGIS Portal User
    - Web-tier authentication using Windows Authentication is not supported for cloud clients; however, on premise clients with version 18.2 HF09 or later may utilize this.
    - SAML based Active Directory based Federation is not supported. However, Portal for ArcGIS can use built-in account.
- If Community Development is to be hosted by CentralSquare, the client's map services must be available externally through the web. This typically requires the ArcGIS Web Adapter to reside in the client's DMZ.
    - CentralSquare will require built-in user's admin credentials for map rendering and source of data for Land Management Update Routine.
    - SAML and Web-tier based authentication will not be supported. Development work in progress.

ArcGIS Online

ArcGIS Online may be used to provide map services as an alternative to ArcGIS Server for the Standard GIS License only. NOTE: ArcGIS Online is not supported for the eTRAKiT map.

ArcGIS Map Service Requirements

The Community Development GIS integration relies on ArcGIS map services that are created and maintained by the client.

Map Service Rules and Requirements

- Community Development requires an Admin Portal user and password to consume REST URLs from a portal. An ArcGIS Online user may be provided as an alternative if the service is not to be used for the GIS Advanced licenses/Spatial Advisor or eTRAKiT.
- Map services must be available externally through the web for Cloud clients.
- All map services must start with Layer (0) and run consecutively without gaps between layer numbers
- Additional service-specific requirements are outlined below

Required Map Services

The client is required to provide a minimum of three dedicated ArcGIS map services. Those and additional optional services are outlined below.

1. Feature Map Service

This map services provides the GIS data necessary to populate and maintain the data in the Community Development's Geo Tables in the cloud SQL database. This service must include all layers to be integrated with Community Development. Feature access must be enabled with Query/Data operations allowed, and all layers must be in same projection.

2. GeoType Map Service

The GeoType Map Service is used to provide access to ESRI feature class data in the management of the Community Development Software. Feature access must be enabled, and all layers must be in same projection.

3. Display Map Service

The Display Map Service provides an interactive view map in the application. The client should build this map service with the symbology, scaling, and layer order that will provide end users the best and most complete experience. This service requires a geometry service and a printing service

4. Optional Display Map Services

Other map services can be added to Community Development's Map Viewer to provide more mapping functionality to your users, in a view-only mode. This service requires a geometry service and a printing service.

Additional Details:

- Aerial Photos:
  - Must be a tiled, cached map service.
  - Image Services are not supported.
- Community Development's Map Viewer supports Street View and Bird's View with a valid Google map key. Clients will need to provide this key and add the Community Development URL as a valid referrer.
- Map services can be specific to departments within your organization, such as public works, utilities, recreation facilities, etc.
- Community Development's Map Viewer can support:
  - Routing services via Network Analysis Server
  - Geocoding services

APPENDIX D: Cloud Services (Cloud Services - AWS)

CentralSquare and Customer will conduct the following as part of this project.

SAAS

Tasks	Name	Description	Customer Role	CentralSquare Role
1.	Creation	Initial Creation of CentralSquare's Community Development software	• Attend Discovery Call	• Discovery Call • Complete install and data migration
2.	Test Account Creation	Test Account Creation is the creation of the test account which is cloned from the pre-production environment.	• Validate Account	• Create Test Account

Assumptions

- CentralSquare will migrate all Customer data into the Community Development database and confirm that the Community Development software's primary system functions are available.
- CentralSquare will install the Community Development software into our Public Government Cloud environment, managed by our Cloud services team centers and provide access to the Customer through a standard URL. We will also provide a VPN device to access the URL to secure Customer required third-party integrations identified for this project.
- CentralSquare will complete all work remotely
- CentralSquare will create one (1) Production Account and one (1) Test Account as part of the Agreement. Additional accounts will require additional hours added under separate quote by mutual written agreement at CentralSquare's prevailing rates.

Roles and Responsibilities

CentralSquare:

- Load files and perform initial configuration of all licensed CentralSquare applications, including base and add-on modules, and interfaces to third-party applications. Configuration includes activating appropriate modules, table set up, and selection of mandatory configuration settings based on combination of CentralSquare applications purchased.
- Set up test environment as mirror copy of the production environment.
- Conduct a test to verify that CentralSquare applications have been installed and configured successfully, operating properly, and are ready to begin the implementation and configuration process. Note: Not all CentralSquare components may be ready at this point, for a full test, but a reasonable effort ensures CentralSquare components are ready for the next step in the process. CentralSquare installation services will ensure that all needed components are prepared and ready prior to conducting subsequent activities for the specific application area according to the agreed upon Project Schedule.

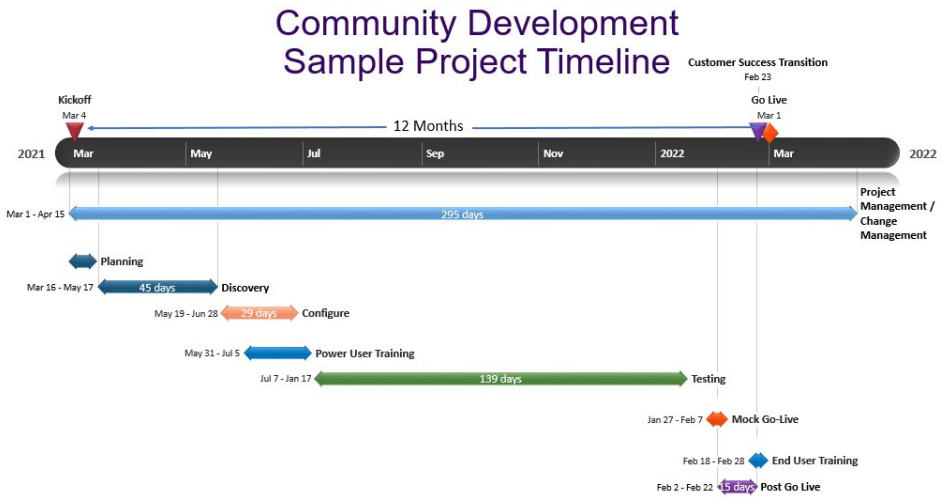
Customer:

- Participate in planning activities (conference calls, emails) with CentralSquare Application Installation Consultant and Technical Lead.
- Provide access to Customer's servers (including third-party) as required for CentralSquare Technical Lead and Application Installation Consultant to perform installation and migration tasks.
- Attend knowledge transfer sessions focusing on how to prepare workstations or mobile computers to run CentralSquare applications.

APPENDIX E: SAMPLE Implementation Timeline & Project Plan

Below is an example of CentralSquare's proposed timeline and project plan with proposed dates. Actual dates will be mutually agreed between both Customer & CentralSquare Project Managers.

Sample Project Timeline



Sample Project Plan

Task Name	Notes	Duration	Start	Finish
Upgrade Schedule				
Initiation		**65 days**	**Wed 9/1/21**	**Tue 11/30/21**
Sales to Service Transition Call	Deliver Project Initiation checklist to client.	1 hr	Wed 9/1/21	Wed 9/1/21
Notifiying the Cloud Team	Creates a plan for Central Square's Cloud Team to spin up servers for client and schedule initial installation.	0.5 hrs	Thu 9/2/21	Thu 9/2/21
Project Timeline - Initiation & Scheduling	Creation of draft upgrade schedule and tentative scheduling for resources.	0.5 days	Thu 9/2/21	Thu 9/2/21
Project Timeline - Initiation	Creation of draft upgrade schedule and tentative scheduling for	2 hrs	Thu 9/2/21	Thu 9/2/21
GeoTRAK Update Routine - Scheduling	Scheduling plan and resource for GTUR	1.5 hrs	Thu 9/2/21	Thu 9/2/21
Citizen Engagement - Scheduling	Scheduling plan and resource for Citizen Engagement	4 hrs	Thu 9/2/21	Thu 9/2/21
Fusion - Scheduling	Scheduling plan and resource for fusion services	2 hrs	Thu 9/2/21	Thu 9/2/21
AnalyticsNOW Scheduling	Scheduling plan and resource for AnalyticsNOW	1 hr	Thu 9/2/21	Thu 9/2/21
Project Initiation Checklist	Central Square provides the client with a Project Initiation Checklist containing actions required by the client.	0.13 days	Wed 12/4/19	Wed 12/4/19
Project Initiation Checklist - Internal		1 hr	Wed 12/4/19	Wed 12/4/19
Project Initiation Checklist - External		0 hrs		
Project Timline - Sign Off	Central Square provides the client with a draft timeline to review, provide feedback & sign-off.	0.5 hrs	Thu 9/9/21	Thu 9/9/21
Planning		**0.13 days**	**Mon 9/6/21**	**Mon 9/6/21**
Kick-off Meeting	Client call to review SOW and next steps. Discuss questions related to Project Initiation Checklist.	1 hr	Mon 9/6/21	Mon 9/6/21
Monitoring & Controlling		**56.88 days?**	**Wed 9/8/21**	**Fri 11/26/21**
Initial Migration		10 days	Wed 9/8/21	Wed 9/22/21
Initial Migration - .NET Data	Data Conversion resource to review and complete conversion of TRAKiT.NET database to Community Development	1 day	Wed 9/8/21	Thu 9/9/21
Initial Migration - GeoTRAK Update Routine	Data Conversion Specialist reviews and updates client's existing LandTRAK script	16 hrs	Wed 9/8/21	Fri 9/10/21
Initial Migration - Custom Reports Conversion	CentralSquare completes conversion of 10 custom SSRS reports or as noted in the contract	40 hrs	Wed 9/15/21	Wed 9/22/21
Installation - Pre-Prod		1 day	Fri 9/10/21	Mon 9/13/21
GIS Re-configuration - Pre-Prod		8 hrs	Fri 9/10/21	Mon 9/13/21
Fusion Installation - Pre-Prod	CentralSquare will setup pre-production instance of requested fusion services	4 hrs	Fri 9/10/21	Mon 9/13/21
AnalyticsNOW Installation - Pre-Prod	CentralSquare will setup pre-production instance of AnalyticsNC	3 hrs	Fri 9/10/21	Mon 9/13/21
Initial Migration Testing		9.25 days	Tue 9/14/21	Tue 9/28/21
Inititial Migration - Client Testing	Client to test initial migration and all related integrations. CentralSquare will provide client with a high-level testing checklist, and recommends client create detailed test plan to ensure application, reports, forms, mail merge documents, 3rd	0 hrs	Tue 9/14/21	Tue 9/14/21
Inititial Migration Cut-Off	Client creates tickets for any issues found during initial migration testing by this date	0 hrs	Tue 9/21/21	Tue 9/21/21
Initial Migration - Issue Resolution	CentralSquare resources will work through issues documented in Freshdesk to provide resolutions.	1 day	Wed 9/22/21	Thu 9/23/21
GIS Re-configuration - Issue Resolution		2 hrs	Mon 9/27/21	Tue 9/28/21
Fusion Testing		4 hrs	Thu 9/16/21	Fri 9/17/21
Citizen Engagement - Consolidated Console Training		4 hrs	Fri 9/17/21	Mon 9/20/21
Installation - Test	CentralSquare Install team will provide a test instance of the Community Development environment with all relevant integrations to allow testing of configuration changes or software updates before implementing in live system.	2.5 days	Tue 9/28/21	Thu 9/30/21
GIS Re-configuration - Pre-Prod		4 hrs	Tue 9/28/21	Tue 9/28/21
Fusion Installation - Test	CentralSquare will install all requested Fusion services in test environment	4 hrs	Thu 9/30/21	Thu 9/30/21
AnalyticsNOW Installation - Test	CentralSquare will install all AnalyticsNOW in test environment	3 hrs	Thu 9/30/21	Thu 9/30/21
Business Process Optimization (BPO)	The purpose for a Business Process Optimization is to review current workflows and to determine how to improve	17.63 days	Tue 9/28/21	Fri 10/22/21
Business Process Optimization (BPO) - Planning & Prep	Consultant prepares for Business Process Optimization using the prep checklist.	1 hr	Tue 9/28/21	Tue 9/28/21
Business Process Optimization (BPO)	On-site training divided betweOnen instruction and guided experimentation	24 hrs	Thu 10/7/21	Tue 10/12/21
Business Process Optimization (BPO) - Follow-up	Consultant completes a formal BPO write-up.	2 hrs	Wed 10/13/21	Wed 10/13/21
Business Process Optimization (BPO) - Configuration	Consultant configures test system based upon optimization changes determined during BPO.	11 hrs	Wed 10/20/21	Fri 10/22/21
Spatial Rules		18.88 days	Wed 10/20/21	Tue 11/16/21
Spatial Rules - Workbook Introduction		3 hrs	Wed 10/20/21	Thu 10/21/21
Spatial Rules - Workbook Review 1st		3 hrs	Thu 10/28/21	Thu 10/28/21
Spatial Rules - Workbook Review 2nd		3 hrs	Thu 11/4/21	Thu 11/4/21
Spatial Rules - Configuration		22 hrs	Thu 11/11/21	Tue 11/16/21
AnalyticsNOW		30.13 days	Thu 10/7/21	Thu 11/18/21
AnalyticsNOW - Overview	Pre-training preparation meeting	4 hrs	Thu 10/7/21	Fri 10/8/21
AnalyticsNOW - Administration Training	Training select admin users on backend configuration of report writing product	4 hrs	Fri 10/8/21	Fri 10/8/21
AnalyticsNOW - Report Writing Training	On-site training divided between instruction and guided experin	32 hrs	Tue 11/2/21	Mon 11/8/21
AnalyticsNOW - Project Management	Follow up after between trainings with client and consultant, review of after action reports, management of follow up items.	1 hr	Tue 11/9/21	Tue 11/9/21
AnalyticsNOW - Workshop or Report Develepment	Client option for 32 hours for an on-site guided workshop or an additional 32 hours of report development	32 hrs	Tue 11/9/21	Mon 11/15/21
AnalyticsNOW - Training Review	Remote follow up session with AnalyticsNOW consultant for refresher training, questions, or issue resolution.	4 hrs	Wed 11/17/21	Thu 11/18/21
AnalyticsNOW - Training Followup	Consultant after action	4 hrs	Thu 11/18/21	Thu 11/18/21
AnalyticsNOW - Project Management	Follow up after on site training with client and consultant, review of after action reports, management of follow up items.	1 hr	Thu 11/18/21	Thu 11/18/21
Spatial Rules Testing		7 days	Wed 11/17/21	Fri 11/26/21
Spatial Rules - Client Testing	Client to test optimization	0 hrs	Wed 11/17/21	Wed 11/17/2
Spatial Rules - Cut-Off	Client creates tickets for any issues found during initial migration testing by this date	0 hrs	Wed 11/24/21	Wed 11/24/21
Spatial Rules - Issue Resolution	CentralSquare resources will work through issues documented in Freshdesk to provide resolutions.	8 hrs	Thu 11/25/21	Fri 11/26/21

SME Training		11.25 days	Fri 10/15/21	Mon 11/1/21
SME Training - Planning	Client project manager attends and participates in meeting to review plan for onsite SME Training. Central Square Technologies consultant/trainer reviews plan with client based	0.5 hrs	Fri 10/15/21	Fri 10/15/21
SME Training - Prep	Consultant/Trainer prepares for SME Training using the prep ch	0.5 hrs	Fri 10/15/21	Fri 10/15/21
SME Training	Client's SMEs attend and participate in training on how to use & test the delivered system.	32 hrs	Mon 10/25/21	Fri 10/29/21
SME Training - Citizen Engagement		2 hrs	Fri 10/29/21	Fri 10/29/21
SME Training - Fusion		10 hrs	Fri 10/29/21	Mon 11/1/21
SME Training - Follow Up	Consultant/Trainer completes the SME Training Followup checkl	1 hr	Mon 11/1/21	Mon 11/1/21
Optimization Testing	Consultant delivers test plan to the client. Consultant will inform client to log issues identified during the testing phase through CentralSquare's issue tracking system. CentralSquare Resources will work to resolve issues	7 days	Tue 11/2/21	Thu 11/11/21
Optimization - Client Testing	Client to test optimization	0 hrs	Tue 11/2/21	Tue 11/2/21
Optimization - Cut-Off	Client creates tickets for any issues found during initial migration testing by this date	0 hrs	Tue 11/9/21	Tue 11/9/21
Optimization - Issue Resolution	CentralSquare resources will work through issues documented in Freshdesk to provide resolutions.	1 day	Wed 11/10/21	Thu 11/11/21
Go Live Readiness		1.25 days?	Mon 11/15/21	Tue 11/16/21
Go Live Checklist Complete		1 day?	Mon 11/15/21	Tue 11/16/21
GIS - Confirmation	GIS Tickets & Final GIS Site Review	1 hr	Mon 11/15/21	Mon 11/15/21
GeoTRAK Update Routine - Confirmation	confirming go live readiness for GTUR	1.5 hrs	Mon 11/15/21	Mon 11/15/21
Citizen Engagement - Confirmation	confirming go live readiness for Citizen Engagement	2 hrs	Mon 11/15/21	Mon 11/15/21
AnalyticsNOW - Confirmation	confirming go live readiness for AnalyticsNOW	0.5 hrs	Mon 11/15/21	Mon 11/15/21
Fusion - Confirmation	confirming go live readiness for all Fusion services	2 hrs	Mon 11/15/21	Mon 11/15/21
Testing Phase Ends	Client provides confirmation via email/Testing End Letter System Testing has been completed for Community Development and all related integrations. Once Client confirmation received, CentralSquare to start preparation for	0.5 hrs	Tue 11/16/21	Tue 11/16/21
Final Delivery Revisions List	Client will provide CentralSquare with a new list of issues identified during the testing phase.	1 hr	Tue 11/16/21	Tue 11/16/21
GeoTRAK Update Routine - Final	Data Conversion Specialist reviews and updates client's existing LandTRAK script	2 hrs	Tue 11/16/21	Tue 11/16/21
Final Delivery		0.5 days	Wed 11/17/21	Thu 11/18/21
Final Delivery - Data Migration	CentralSquare will provide responses/corrections to the issues submitted by the Client. The data migration is being completed in the pre-production account by the Data Conversion Team	1 hr	Wed 11/17/21	Wed 11/17/21
Final Delivery - Client Testing		0 hrs	Wed 11/17/21	Wed 11/17/21
Final Delivery - Configuration	the BPO configuration is moved from the test account to the pre-prod account by the Consultant Team. This will be the final configuration used once the client is live.	2 hrs	Wed 11/17/21	Wed 11/17/21
GIS - Issue Resolution	CentralSquare resources will work through issues documented in Freshdesk to provide resolutions.	4 hrs	Wed 11/17/21	Thu 11/18/21
End User Training	CentralSquare will train all end users during the coordinated timeframes. By completion of training, all end users will be utilizing the latest release of TRAKiT.	14.25 days	Thu 11/4/21	Wed 11/24/21
End User Training - Planning	Client attends meeting to plan end user training.	0.5 hrs	Thu 11/4/21	Thu 11/4/21
End User Training - Prep	Central Square Technologies prepares for end user training based on End User Training Prep checklist.	0.5 hrs	Wed 11/17/21	Wed 11/17/21
End User Training	CentralSquare will train all end users during the coordinated timeframes. By completion of training, all end users will be utilizing their upgraded version of TRAKiT.	24 hrs	Thu 11/18/21	Tue 11/23/21
End User Training - Citizen Engagement		2 hrs	Tue 11/23/21	Tue 11/23/21
End User Training - Fusion		10 hrs	Tue 11/23/21	Wed 11/24/21
Project Closure		**3.13 days**	**Thu 11/25/21**	**Tue 11/30/21**
Go Live	CentralSquare resource(s) onsite to complete end-user training and take TRAKiT live.	3.13 days	Thu 11/25/21	Tue 11/30/21
Transition to Live	CentralSquare will process data for Go Live and deliver back to the Client's environment as outlined in the Go Live Readiness	1 hr	Fri 11/26/21	Fri 11/26/21
Go Live Support - Project Management		1 day	Mon 11/29/21	Tue 11/30/21
Go Live Support - Onsite		16 hrs	Thu 11/25/21	Mon 11/29/21
Go Live Support - GIS	GIS consultant will provide remote support to assist with any issues or questions during go live	2 hrs	Mon 11/29/21	Mon 11/29/21
End User Training and Go Live - Followup	Consultant/Trainer completes the End User Training Followup checklist.	1 hr	Tue 11/30/21	Tue 11/30/21

Exhibit 6

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the _____day of _____ 2023 by and between the City of South Lake Tahoe, a municipal corporation ("City") and CentralSquare Technologies, LLC ("Consultant").

RECITALS

A. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the Solutions Agreement. Solutions Agreement Exhibit 1, "Solution and service Fee Schedule," outlines the fees and compensation which shall be paid pursuant to the Solutions Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue for five years with automatic renewal for additional successive one (1) year terms unless earlier terminated pursuant to any of the Agreement's provisions (a "Renewal Term" and, collectively, with the Initial Term, the "Term"). Either Party may elect to end renewal of the Agreement by

issuing a notice of non-renewal, in writing, to the other Party six (6) months prior to the expiration of the Agreement term.

Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "1" of the Solutions Agreement. The total compensation for the project by Consultant , shall not exceed $279,475.00 dollars within the term of this agreement without written approval of the City Council or City Manager, as applicable. The City reserves the right to award its total compensation to one bidder or apportion thereof among several bidders as the City may deem to be in its best interest.

Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of the Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

3. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

4. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work by way of a mutually agreed upon Change Order. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, or be obligated to undertake additional expense for a change in scope without prior written authorization from City.

5. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

6. Ownership of Documents.

CentralSquare retains all right, title and ownership to its intellectual property, including but not limited to its software, updates, upgrades, or enhancements thereto, and its associated documentation, which is licensed to CentralSquare's client base. The proposed solution is a COTS (Commercial Off The Shelf) solution. Consultant shall, at Consultant's expense, provide such applicable reports, plans, studies, documents and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature..

7. Consultant's Books and Records.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant for services provided pursuant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

8. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors or subcontractors hired or retained by Consultant are employees, agents, contractors or subcontractors of Consultant and not of the City.

City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract, and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

9. Interest of Consultant. Consultant, (and principals, associates and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation or counsel. [FPPC Reg. 18700(a)(2)].

10. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance

with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

11. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations and codes of federal, state and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

    In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

12. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services are performed under this Agreement.

13. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City.

    City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

    This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether or not such

insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity, claims, demands, costs, charges and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

14. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation of all Workers' Compensation policies must be received by City at least thirty (30) days prior to such change. Consultant shall endeavor to provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be included as or endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured's under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents or volunteers.

vi. Notice of cancellation will be provided in accordance with policy provisions.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

15. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Consultant: CentralSquare Technologies, LLC
1000 Business Center Drive
Lake Mary, FL 32746
Attn: Legal/Contracts

16. Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Consultant shall not subcontract any portion of the work to be performed under this Agreement without giving notice to the City. Consultant shall be fully responsible to City for all acts or omissions of the subcontractor to the same extent it is responsible for its own employees. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

17. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

18. Dispute Resolution. Any dispute concerning this Agreement will be addressed in accordance with Section 17, of the Solutions Agreement.

19. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

20. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

21. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

22. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free work place by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

   i. The dangers of drug abuse in the workplace;
   ii. The person's or organization's policy of maintaining a drug-free workplace;
   iii. Any available counseling, rehabilitation and employee assistance program; and
   iv. Penalties that may be imposed upon employees for drug abuse violations.

c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

   i. Will receive a copy of the Consultant's drug-free policy statement; and
   ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

23. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in Exhibit A. Further, Consultant shall require that the language of the certification in Exhibit A be included in all contracts or subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

24. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

25. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et. seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

26. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

27. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

28. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

29. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

30. Reserved .

31. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

Attachment:

Exhibit A - Anti-Lobbying Certification

EXHIBIT A

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:

By: _____

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the _____day of August 2023 by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and HdL Companies.

RECITALS

A. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

1. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue annually until further written notice.

2. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed **$76,500.00 for one-time implementation cost, and $22,000.00 annually, subject to CPI increase as outlined in the Fees section of Schedule Z,** without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

3. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

4. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

5. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

   Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

6. Ownership of Documents.
All plans, studies, documents and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

7. Consultant's Books and Records.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant for services provided pursuant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by

any of the above-named officers, require that custody of the records be given to City and that the records and documents be maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

8. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors or subcontractors hired or retained by Consultant are employees, agents, contractors or subcontractors of Consultant and not of the City.

   City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract, and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

9. Interest of Consultant. Consultant, (and principals, associates and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

   Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

   a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation or counsel. [FPPC Reg. 18700(a)(2)].

10. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

11. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations and codes of federal, state and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

    In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

12. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services are performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

13. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all

costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

14. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation of all Workers' Compensation policies must be received by City

at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured's under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies.

The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

15. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 210
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Consultant: HdL Companies
120 S. State College Blvd. Suite 200
Brea, CA 92821

Provide a copy to: Connor Duckworth, Client Advisor
HdL Companies
120 S. State College Blvd. Suite 200
Brea, CA 92821

16. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City. Consultant shall not

subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

17. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

18. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

19. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

20. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

21. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or

termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

22. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free work place by taking the following actions:

    a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

    b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

        i. The dangers of drug abuse in the workplace;
        ii. The person's or organization's policy of maintaining a drug-free workplace;
        iii. Any available counseling, rehabilitation and employee assistance program; and
        iv. Penalties that may be imposed upon employees for drug abuse violations.

    c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

        i. Will receive a copy of the Consultant's drug-free policy statement; and
        ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

    Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

23. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or

subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

24. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

25. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et. seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

26. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

27. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

28. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

29. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

30. Time is of the Essence. Time is of the essence for this Agreement.

31. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:

By_____

City Manager

Date _____

CONSULTANT:

By _____

Title:

Date _____

Business License # _____

APPROVED AS TO FORM:

By_____

City Attorney

Date _____

ATTEST:

By_____

City Clerk

Date _____

Attachments:

Exhibit A – Scope of Services and Fees: HdL Master Services Agreement including Schedule Z Services and Fees
Exhibit B – Compensation Schedule Summary
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

SCOPE OF SERVICES AND FEES

MASTER SERVICES AGREEMENT

THIS MASTER SERVICES AGREEMENT (this "Agreement") is entered into as of -_____, 2023 (the "Agreement Date") by and between Hinderliter De Llamas & Associates (HdL) ("Consultant"), and City of South Lake Tahoe ("Client"), which is located within the state of California (the "State").

W I T N E S S E T H:

WHEREAS, Consultant is engaged in the business of providing consulting, software and other services that help public agencies understand and maximize their collection of sales, use and transactions taxes, business license taxes, property and lodging taxes, and other revenues, as well as their delivery of other public services (collectively, "Consultant's Business"); and

WHEREAS, Client desires to contract with Consultant to obtain one or more of the services included within Consultant's Business (as provided for in Section 1) upon the terms and conditions contained in this Agreement;

WHEREAS, Consultant desires to contract with Client to render such services upon the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the covenants and promises contained herein, Client and Consultant mutually agree as follows:

1. Services.

1.1 Consultant will perform those services included within Consultant's Business that are described in any and all schedule(s) referencing this Agreement and signed by Client and Consultant as of the Agreement Date or hereafter (individually and collectively, the "Schedule(s)"), upon the terms and conditions contained in this Agreement (including the Schedules) (such services are, collectively, the "Services")

1.2 **Consultant warrants that it will perform the Services in a professional manner in accordance with professional standards**. In performing the Services, Consultant is acting as an independent contractor (and not as an agent or employee of Client).

1.3 Client acknowledges and agrees that any other public agency (including, without limitation, any participating government agency) located within or outside of the State (e.g., city, municipality, county, district, public authority or other political subdivision) may procure services for fees and other terms and conditions that are substantially similar to any of the Services, Fees and other terms and conditions set forth in this Agreement, provided that such other public agency executes a separate agreement with Consultant wherein the services rendered to such other public agency, the fees payable by such other public agency, and the other terms and conditions of such separate agreement are the responsibility of Consultant and such other public agency and not Client.

1.4 This Agreement does not limit the right of Consultant to enter into additional contracts with Client or to contract with other persons or entities (that are not Client) to provide them with merchandise or services of any kind whatsoever, including, but not limited to, services similar to the Services.

2. **Fees**. As compensation for performing the Services, Client will pay Consultant the fees, costs and expenses as described in the Schedules (individually and collectively these fees and costs are, the "Fees"). Consultant may perform the Services using professionals from its staff or Consultant's affiliated entities, and such Services will be billed to Client under the same billing terms applicable to Consultant's staff. Consultant may increase the Fees from time to time (including, without limitation, annually as described in the Schedules). Other than a Fee increase as described in the Schedules, Client may notify Consultant of a request that such Fee increase be modified or revoked and, if Consultant fails to do so to Client's satisfaction within thirty (30) days after the receipt of such request, Client may terminate this Agreement without cause pursuant to Section 7.3.

3. **Invoices; Payment**.

3.1 Consultant will invoice Client for the Fees earned and/or incurred by Consultant pursuant to this Agreement.

3.2 Invoices are due and payable upon receipt. Interest will begin to accrue on the forty-fifth (45th) day following the invoice date on all unpaid balances at a rate of one and one-half percent (1½%) per month, or the maximum rate permitted by law, whichever is less. Payments will first be credited to interest and then to principal. In the event that Client disputes or contests an invoice, only that portion so disputed or contested in good faith will be withheld from payment, and the undisputed portion must be timely paid. Interest will accrue on any contested portion of the invoice not timely paid and will be payable immediately if the contested invoice is resolved in favor of Consultant.

3.3 If Client fails to fully pay an invoice within 30 days after the invoice date, Consultant may, after giving five (5) days' notice to Client, suspend the rendering of Services under this Agreement until said invoice is paid in full, together with all interest that has accrued thereon. In the event of such a suspension of Services, Consultant will have no liability to Client for any delays or damages arising therefrom.

4. **Insurance**. Throughout the term of this Agreement, Consultant will maintain the following insurance in not less than the referenced amounts: (a) workers compensation and employers liability insurance as may be required by the State; (b) property damage liability of $1,000,000 per incident; (c) bodily injury liability of $1,000,000 per incident; and (d) professional liability for any errors or omissions of $1,000,000.

5. **Client Support**.

5.1 Client will promptly provide in writing to Consultant all data and other information relating to or which may be necessary for Consultant's performance of the Services. Without limiting the foregoing, Client will keep Consultant informed on a timely basis in writing as to the existence and amendments of the laws, ordinances and/or regulations under which Consultant is performing the Services (including any adopted by Client). Consultant will be permitted to rely on the accuracy, timeliness and completeness of the information provided by Client, and in no event will Consultant be liable to Client or others as a result of such reliance.

5.2 Client will examine all of Consultant's reports, specifications, notices, proposals and other documents. In the event that a decision is required of Client in order for Consultant to perform the Services, Client will render such decision in writing in a timely manner.

5.3 Client will assist Consultant in obtaining such licenses, permits and approvals as may be required by law for performing the Services. Consultant will pay all fees, assessments and taxes related to the application, issuance and maintenance thereof.

5.4 The Services do not include services that Consultant may be required or requested to provide to support, prepare, document, bring, defend or assist in litigation undertaken or defended by Client ("Litigation Services"). If Consultant agrees with Client or is required to perform Litigation Services, Client will promptly pay Consultant for all of Consultant's costs and expenses related to Litigation Services at Consultant's actual cost, plus ten percent (10%) thereof (all of which are deemed to be additional Fees).

6. Confidentiality; Software Use and Warranty; Records; Agency Data.

6.1 Consultant will comply with the requirements of the applicable laws, ordinances and/or regulations concerning the confidentiality of tax records of which it has been informed by Client pursuant to Section 5.1.

6.2 As used herein, the term "proprietary information" means all information, techniques, processes, services or material that has or could have commercial value or other utility in Consultant's Business, including without limitation: Consultant's (i) software, computer or data processing programs; (ii) data processing applications, routines, subroutines, techniques or systems; (iii) desktop or web-based software; (iv) audit, tax or fee collection/administration or business processes, methods or routines; (v) marketing plans, analyses and strategies; and (vi) materials, techniques and intellectual property used. Except as otherwise required by law, Client must hold in confidence and may not use (except as expressly authorized by this Agreement) or disclose to any other party any proprietary information provided, learned of or obtained by Client in connection with this Agreement. The terms of this Section 6.2 do not apply to any information that is public information.

6.3 If access to any software which Consultant owns is provided to Client as part of this Agreement (including, without limitation, if Client chooses to subscribe to such software and reports option as part of the Services) (such Consultant-owned software is, collectively, the "Software"), Consultant hereby provides a limited, non-exclusive, non-transferable license to Client for the use by such of Client's staff as may be designated from time to time by Client and approved by Consultant in writing to use the Software pursuant to and during the Term of this Agreement. The Software must only be used by such authorized Client staff, and Client must not sublicense, sublet, duplicate, modify, decompile, reverse engineer, disassemble, or attempt to derive the source code of the Software. The license granted hereunder does not imply ownership by Client or any of Client's staff of the Software nor any rights of Client or any of Client's staff to sublicense, transfer or sell the Software, or rights to use the Software for the benefit of others. Client may not create (or allow the creation of) any derivative work or product based on or derived from the Software or documentation, nor modify (or allow the modification of) the Software or documentation without the prior written consent of Consultant. In the event of a breach of this provision (and without limiting Consultant's remedies), such modification, derivative work or product based on the Software or documentation is hereby deemed assigned to Consultant. Upon termination of this Agreement or this Software license, this

Software license will be deemed to have expired and Client must immediately deactivate, cease using and remove, delete and destroy all the Software (including, without limitation, from Client's computers and network). **Consultant warrants that the Software will perform in accordance with the Software's documentation.**

6.4 All documents, preliminary drafts, communications and any and all other work product related to the Services and provided by Consultant to Client either in hard copy or electronically are the property of Client. This does not include any software, programs, methodologies or systems used in the creation of such work product, nor does it include any drafts, notes or internal communications prepared by Consultant in the course of performing the Services that were not otherwise provided to Client in either hardcopy or electronic form, all of which may be protected by Consultant or others' copyrights or other intellectual property. It is possible that any documents, drafts, communications or other work product provided to Client may be considered public records under applicable law and/or may be discoverable through litigation. Consultant may publicly state that it performs the Services for Client.

6.5 Subject to applicable law, Consultant is responsible for retaining all final documents and other final work product related to the Services for a period of not less than three (3) years from the date provided to Client. Retention of any other documents, preliminary drafts, communications and any and all other work product provided to Client by Consultant is the responsibility of Client. Consultant has no responsibility to retain any drafts, notes, communications, emails or other writings created or received by Client in the course of performing the Services (other than the final documents and other final work product related to the Services and provided to Client for the term of years referenced above).

6.6 Consultant acknowledges that the data provided by Client (" Agency Data") during the course of this Agreement is the property of Client. Client authorizes HdL to access, import, process and generate reports from the Agency Data with its various proprietary systems. No Agency Data will be shared by Client with any other party without written permission from Client. Consultant shall maintain the confidentiality of the Agency Data and shall not use Agency Data except to perform the services under this Agreement. HdL shall collect, process, store, and transfer Personally Identifiable Information ("PII") only in a manner that is consistent with applicable federal, state and local laws including, but not limited to, privacy laws applicable to PII. Any right of Consultant to use the Agency Data as provided herein shall terminate upon termination of this Agreement and HdL shall destroy all copies of Agency Data. Consultant's obligation to hold Agency Data confidential shall survive termination of this Agreement. No Agency Data shall be exported to foreign counties, and the data center (including the hosted software, infrastructure and data) will be located and the services shall be performed in the United States, and no Agency Data shall be made available to those located outside the United States. At the termination of this Agreement the Agency Data will be made available to Client in a format acceptable to both Client and Consultant.

7. Term and Termination.

7.1 The initial term of this Agreement commences as of the Agreement Date and, unless terminated earlier pursuant to any of this Agreement's express provisions, will continue in effect until twelve (12) months from such date (the "Initial Term"). This Agreement will automatically renew for successive twelve (12) month terms unless earlier terminated as set forth in Section 7.2 or 7.3 or either party gives the other party written notice of non-renewal at least one hundred twenty (120) days prior

to the expiration of the then-current term (each a "Renewal Term" and, collectively, together with the Initial Term, the "Term").

7.2 This Agreement may be terminated by either party for cause upon not less than forty-five (45) days' written notice given to and received by the other party, if the other party has materially breached this Agreement through no fault of the notifying party and fails to (i) commence correction of such material breach within thirty (30) days of receipt of the above-referenced written notice and (ii) diligently complete the correction thereafter.

7.3 In addition, either party may terminate this Agreement without cause upon not less than one hundred twenty (120) days' written notice to the other party.

7.4 On termination, Client will pay Consultant for all Fees and other compensation (including for Litigation Services) earned and/or incurred through the termination date and will thereafter timely pay Consultant for all other Fees and compensation to which Consultant may be entitled pursuant to this Agreement (including the Schedules hereto).

8. <u>Indemnification</u>.

8.1 Consultant agrees to fully and promptly indemnify and hold harmless (but not defend) Client and each of its officers, employees and agents (collectively, "Client Group") from and against any and all third-party liabilities, judgments, awards, losses, claims, damages, expenses, and costs (including, without limitation, for reasonable third-party attorneys' fees and costs awarded in connection therewith) (each, a "Third-Party Liability", and collectively, "Third-Party Liabilities") directly or indirectly related to this Agreement and arising out of any negligent act or negligent omission, or reckless or willful misconduct, of Consultant or any of its directors, officers, employees, agents, direct and indirect equity holders, or affiliates (collectively, "Consultant Group") under this Agreement; provided, that such obligations to indemnify and hold harmless are only to the extent Consultant admits in writing, or any of Consultant Group is found by a court of competent jurisdiction in a judgment which has become final and that is no longer subject to appeal or review, to have caused the above-described Third-Party Liability(ies). In no event shall Consultant be obligated to defend any of Client Group or pay for any Client Group attorneys' fees or other costs of defending against any such Third-Party Liabilities ("defense costs"), with exception of if Consultant is obligated to indemnify and hold harmless Client Group as described above in this Section 8.1 then Consultant shall also be responsible for the defense costs incurred by Client Group for the related matter. Consultant's duty to indemnify and hold harmless Client shall not apply to claims for liability which arise from the issuance or non-issuance of any registration, license, permit, or exemption.

9. <u>Liability Limitations; Governing Law; Dispute Resolution</u>.

9.1 To the maximum extent permitted by law and notwithstanding anything to the contrary in this Agreement:

9.1.1 Except as may otherwise be expressly set forth in this Agreement, Consultant makes no warranty of any kind with respect to the Services or the Software, express or implied. Consultant hereby disclaims all other warranties, express or implied, including the implied

warranties of merchantability, fitness for a particular purpose, title and non infringement. Consultant disclaims all warranties and responsibility for third party software.

9.1.2 In no event will any of Consultant Group be liable for any Client monies not collected by Consultant Group, or any special, incidental, or consequential damages of any nature whatsoever, even if such restrictions deprive one or more remedies of their essential purpose. This damage exclusion is independent of any remedies provided for herein.

9.1.3 Without limitation on any statue of limitations that expire in less than three years, no claim may be brought by Client against any one or more of Consultant Group arising out of this Agreement (including, without limitation, in connection with the Services or the Software) more than three years after the date upon which Client has actual knowledge of the first occurrence of the action or inaction giving rise to such claim (whether relating to the Services, the Software or otherwise).

9.1.4 Client acknowledges this Agreement is with Consultant in its capacity as a corporation or a limited liability company, and Client agrees that in no event will it seek to hold any of the Consultant Group (other than Consultant) responsible for any obligations under this Agreement.

9.2 The law of the State of California will govern the validity of this Agreement, its interpretation and performance, and any other claims related to it, without regard to the State's conflict of laws rules. Venue for any legal action arising out of this Agreement will be proper only in the State courts or the federal courts located within the State. The parties hereby submit to the exclusive jurisdiction of such courts and waive any other venue to which either party might be entitled by domicile or otherwise. Both parties waive the right to a jury trial in an action to enforce, interpret or construe this Agreement.

9.3 A breach of this Agreement by either party may cause the other party hereto irreparable harm, the amount of which may be difficult to ascertain, and therefore such other party will have the right to apply to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining any further breach and for such other relief as such other party may deem appropriate. Such right is in addition to the remedies otherwise available to such other party at law or in equity. The parties hereto expressly waive the defense that a remedy in damages will be adequate and any requirement in an action for specific performance or injunction hereunder for the posting of a bond.

10. General Legal Provisions.

10.1 Authorization to Proceed. Each Schedule must be signed by both Client and Consultant before such Schedule will be binding on the parties hereto.

10.2 Force Majeure. Consultant is not responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents or other events beyond the control of Consultant.

10.3 Amendment; Waiver. Any provisions of this Agreement (including, without limitation, any Schedules or provisions within any Schedules) may be amended or terminated if in writing and signed by both Client and Consultant. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, will be deemed to be valid unless acknowledged by such party in writing, and such waiver will not extend to

any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

10.4 Severability and Survival. If any provision in this Agreement is held illegal, invalid or unenforceable, the enforceability of the remaining provisions will not be impaired thereby. Notwithstanding any other provisions of this Agreement (including, without limitation, Section 7), Sections 3, 5.5, 6, 7, 8, 9 and 10 will survive the termination of this Agreement.

10.5 No Third-Party Beneficiaries; Services Limited to Agreement. Except as set forth in Section 8, this Agreement gives no rights or benefits to anyone other than Client and Consultant and has no third-party beneficiaries. The Services to be performed for Client by Consultant are defined solely by this Agreement (including the Schedules), and not by any other contract or agreement that may be associated with performing the Services.

10.6 Assignment. This is a bilateral personal services agreement. Neither party will have the power to or will assign any of the duties or rights or any claim arising out of or related to this Agreement, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable. This Agreement is binding on the successors and assigns of the parties hereto.

10.7 Notices. All notices under this Agreement must be in writing and will be deemed to have been given when such notice is received (i) from United States Postal Service First Class Certified Mail, Return Receipt Requested, (ii) by courier service, or (iii) by email; provided, however, that notices received on a weekend or holiday or on a business day after 4:00 p.m. local time will be deemed to have been received on the next business day. Notices will, unless another address is specified in writing, be sent to the addresses indicated below (each of which must include a street address and an email address): Consultant: Hinderliter De Llamas & Associates (HdL), Attn: George Bonnin, Email: gbonnin@hdlcompanies.com; and Client: City of South Lake Tahoe, Attn: Olga Tikhomirova, Email: otikhomirova@cityofslt.us.

10.8 Entire Agreement; Conflict. This Agreement (including any Schedules dated as of the Agreement Date or hereafter) constitutes the entire agreement between the parties and supersedes any prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they have related in any way to the subject matter hereof. Should there ever be a conflict between the terms and conditions of the Schedule(s) and the remainder of this Agreement, the terms and conditions of the remainder of this Agreement will prevail and be controlling.

10.9 Counterparts; Electronic Signatures; Authority. This Agreement may be signed in any number of counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement. Any signed signature pages of this Agreement transmitted by email or other electronic means in a portable document format (PDF) or other clear and visible electronic format will have the same legal effect as an original. Each of the persons signing on behalf of a party hereto represents that he or she has the authority to sign this Agreement on such party's behalf.

10.10 No Adverse Construction. Both parties acknowledge having had the opportunity to participate in the drafting of this Agreement. This Agreement will not be construed against either

party based upon authorship. The section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

[Signatures are on the next page]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement through their duly authorized representatives as of the Agreement Date.

CONSULTANT:	**CLIENT**:
Hinderliter De Llamas & Associates (HdL)	City of South Lake Tahoe, CA
By:_____	By:_____
Its:_____	Its:_____
By:_____	By:_____
Its:_____	Its:_____

[Any Schedule or Schedules may (but is/are not required to) be attached hereto]

SCHEDULE Z

Local Tax Software Solution Services and Fees
Tax and Fee Administration Services and Fees

SCHEDULE Z – This Schedule Z provides the scope of Services and Fees for Consultant's Local Tax Software Solution pursuant to the Master Services Agreement dated _____, 2023 ("MSA").

The MSA includes the main body of the MSA, this Schedule, and all other Schedules to the MSA. Terms not otherwise defined herein have the definitions given to them within the main body of the MSA.

SCOPE OF SERVICES

Consultant will provide the following Services relative to Consultant's Prime Cloud local tax software solution: Prime Cloud Business License, Transient Occupancy Tax and On-line (Web Module) payment module.

1. **Prime Cloud Software Implementation**
   - 1.1. **Consultant's responsibilities**
     - 1.1.1. **Project manager -** Consultant will provide a project manager (PM) to guide the software implementation process. The primary responsibility for the Consultant PM is to ensure successful and timely completion of each step of the software implementation schedule. The Consultant PM will work closely with the Client's designated project manager to define the software implementation schedule, identify Client needs and configure the software accordingly, validate the data conversion, and provide user training.
     - 1.1.2. **IT support -** Consultant will provide a dedicated IT staff member to provide IT support during the software implementation process.
     - 1.1.3. **Management support** - Consultant will assist the Client in evaluating current policies and procedures in order to enhance operational efficiency. This may include suggestions to redesign forms/reports, implement new processes, or adopt new strategies for improving communication with the business community and other Client departments.
     - 1.1.4. **Training -** Consultant will provide software training for Client users as defined in the fees schedule. The timing, size and participants of each training session will be determined by the Consultant's and Client's PMs. A training day consists of one (2) six (6) hour days. Additional training days are available at the rate set in Schedule D, Scope of Services.
     - 1.1.5. **Software documentation -** Consultant will provide Client with access to digital copies of available software documentation. The Client may use the software documentation materials as needed for internal use only. The software documentation contains proprietary and confidential information, and as such is bound by the confidentiality portion of this agreement. The software documentation may not in any circumstances be distributed to any 3rd party or any individual that is not a current Client staff member responsible for using or maintaining the software.
   - 1.2. **Client's responsibilities**
     - 1.2.1. **Project manager -** Client will designate a staff member to serve as the Client's project manager (PM). This individual must be intimately involved in the daily business processes which the software will automate, and be empowered to make, or quickly secure from management, decisions required for the configuration and implementation of the software. The primary responsibility for the Client PM is to ensure that all Client responsibilities during the software implementation process are met according to the agreed upon software implementation schedule. The Client PM will be instrumental in the successful implementation of the software; working closely with the Consultant PM to verify data conversion, review and approve reports, establish business rules, and confirm configuration and behavior of the software.
     - 1.2.2. **IT support -** Client will designate an IT staff member to work with Consultant staff throughout the software implementation process. This individual must be knowledgeable about the Client's

computing environment and be authorized to access any equipment or services required for proper access to and operation of the software.

1.3. **Data Conversion -** Consultant will convert the Client's existing data as provided by Client. Client agrees to provide its current data in a format agreed upon by Consultant and Client. Acceptable formats include Microsoft SQL Server backup file, Excel, Access, and ASCII delimited text file. Client will provide all available documentation to assist with identifying the contents of the data files, including but not limited to file layout documentation, database schema, and screenshots from five (5) sample accounts. Client will provide the data a minimum of two times during the conversion process. Client understands that the second (and any subsequent) data must be provided in the same format and layout as the first data set. Any inconsistencies between the first and final data sets will result in a delayed installation date and additional charges for conversion.

1.4. **Schedule –** The default timeline for software implementation (including "Go Live") is approximately 60 days from receipt of initial discovery materials. When the Agreement is signed by all parties, Consultant will immediately work with the Client to establish a defined implementation schedule which is agreeable to both Client and Consultant.

2. **Prime Cloud Software Hosting Services** – Consultant's hosting services offload the majority of IT concerns to Consultant's hosting team; including system upgrades, hardware and software maintenance, database management, and disaster recovery. Client will be responsible for maintaining its workstations and a reliable internet connection. Consultant will handle the rest. Website functionality will be hosted using a Client specific sub-domain on Consultant's special purpose hdlgov.com domain.

2.1. **Workstation Specifications** – Workstations will access the software through a remote application session with Consultant's hosting service. All workstations require 4+GB Memory, 1280x1024 screen resolution, and MS Windows 7/8/10 operating system.

2.2. **Network Specifications** – Consultant's hosted service requires reliable, high speed internet connectivity. High-speed local area network connections are always helpful, but the service will also run without difficulty over slower WAN connections such as T1 or mobile broadband.

2.3. **Printer Specifications** - The software is designed to work with laser printers. A PCL compliant laser printer is recommended. Each make and model of printer has different drivers and therefore has slightly different results when printing. We design forms/reports using HP LaserJet printers.

3. **Prime Cloud Software Support**

3.1. **Client Support -** Consultant will provide Client's users no charge support by telephone, email and the web during the term of this Agreement. In the United States support is available as follows: For customer support between the hours of 8:00 am and 5:00 pm Pacific time, Monday through Friday, email support@hdlcompanies.com or call (909) 861-4335 and ask for software support. For urgent off hours support before 8:00 am or after 5:00 pm Pacific time, Monday through Friday (or anytime Saturday), email 911@hdlcompanies.com and Consultant's on call support personnel will be notified. Please only include your name, agency and contact # in emails to 911@hdlcompanies.com. You will be contacted as soon as possible.

3.2. **Response Time** – In the event that Client encounters an error and/or malfunction whereby the software does not conform to expected behavior in accordance with the software design, Consultant will assign one of the following severity levels and render support services in a timely manner consistent with the urgency of the situation.

3.2.1. **Severity Level 1** – a critical problem has been encountered such that the software is essentially inoperable and without a reasonable workaround. Consultant will respond within one (1) business hour to diagnose the problem. A response is defined as an email or call to the Client's designated support contact. Consultant and Client will work diligently and continuously to correct the problem as quickly as possible.

3.2.2. **Severity Level 2** – a problem has been encountered that does not prevent use of the software, but the software is not operating correctly. Consultant will diagnose the problem within 48 hours and advise Client of any available work-around. Upon Consultant's confirmation that the

software is not operating correctly, Consultant will provide a software update to repair the defect and confirm with Client that the update resolved the issue.

3.2.3. **Severity Level 3** – a minor problem has been encountered. The software is usable but could be improved by correction of a minor defect or addition of a usability enhancement. HdL will assess the request within fifteen (15) business days and, depending on priorities, schedule a software update for a future release, advise City that the request will not be implemented, or offer the option of implementing the request as a custom software enhancement at additional cost.

3.3. **Support Policy Regarding Reports -** Consultant will assist with modifications to reports as needed during the term of this agreement. Typical report modifications require 7 to 10 business days to complete. Very complex reports or reports required in a very short time frame may incur development costs, in which case an estimate will be provided for approval before the work is begun.

3.4. **Software Upgrades -** Except to the extent that upgrades of the software include new modules or features not previously offered as part of the software as of the date hereof, Client is entitled to upgrades of the software within the terms of this Agreement. Though rare, additional costs may apply depending on the extent of the upgrade. Potential additional costs include training, consulting, configuration, or other requested services.

3.5. **Out of Scope Support** – Client agrees to pay additional hourly fees according to Consultant's then current hourly rates if the Client desires Consultant's assistance for matters which are not caused by any defects in Consultant's software.

4. **Online Payment Processing –** Consultant's software includes PCI compliant payment gateway services powered by FIS Global, which supports both credit card and eCheck transactions. If a different payment gateway is required there will be an initial programming cost to establish the custom payment gateway integration, and increase to the annual software use fee for continued support of the custom integration. Costs will be determined dependent on the integration requirements and API documentation.

4.1. **Payment Processing -** Consultant shall provide its Services to support payments remitted to Client. Consultant shall transmit transactions for authorization and settlement through Consultant's certified payment processor. Funds for transactions processed by Consultant hereunder shall be submitted to Client's designated bank account as follows: (i) no more than two (2) business banking days after all Transactions (other than electronic Check Transactions) that are successfully processed prior to 5:00 p.m. ET on each business banking day (e.g., a Transaction authorized at 2:00 p.m. ET on Monday will be submitted on Wednesday; a Transaction successfully processed at 8:00 p.m. ET on Monday will be submitted on Thursday); and (ii) no more than five (5) business banking days for all electronic Check Transactions that are successfully processed prior to 5:00 p.m. ET on each business banking day. Consultant makes no representation or warranty as to when funds will be made available by Client's bank.

4.2. **Support -** Consultant shall provide Client with payment processing related customer service as needed. Client shall timely report any problems encountered with the service. Consultant shall promptly respond to each report problem based on its severity, the impact on Client's operations and the effect on the service. Consultant shall either resolve the problem or provide Client with the information needed to enable the Client to resolve it.

4.3. **Transaction Errors -** Consultant's sole responsibility for any Transaction error or reversed Transaction is to determine whether the result indicates a problem with Consultant's service and, if necessary, reprocess and resubmit the Transaction without additional charge. In the event that a Transaction is reversed or refunded to any Customer of Client, for any reason, Consultant may offset such amount against funds remitted to Client, or invoice Client for such amount, at Consultant's discretion. Client shall pay any such invoice within 30 days of receipt.

4.4. **Electronic Check Authorization -** If Client elects to accept electronic Checks as a form of payment, the following subsections apply. For the purpose of this section, "checks" means checks drawn on accounts held in the U.S. ("Check(s)").

4.4.1. As part of the implementation plan, Client shall select risk management controls governing Check acceptance and assumes sole responsibility for the choice of controls.

4.4.2. Consultant shall provide confirmation on a submitted ABA number as part of the Service to assist Client with the decision whether to accept a Check and shall route accepted Checks.

4.4.3. Client hereby authorizes Consultant to debit the Client's financial institution account in the amount of any returned item that is received by Consultant.

4.5. **Client Responsibilities**

4.5.1. As a condition to its receipt of the Service, Client shall execute and deliver any and all applications, agreements, certifications or other documents required by Networks or other third parties whose consent or approval is necessary for the processing of Transactions. "Network" is an entity or association that operates, under a common service mark, a system which permits participants to authorize, route, and settle Transactions among themselves, including, for example, networks operated by VISA USA and Mastercard, Inc., NYCE Corporation, American Express, and Discover.

4.5.2. Client represents, warrants, and agrees that it does and will comply with applicable Laws and regulations and Network rules, regulations or operating guidelines. Client shall notify Consultant in writing as soon as possible in the event a claim is either threatened or filed against Client by any governmental organization having jurisdiction over Client or a Customer related to the Service. Client shall also notify Consultant in writing as soon as possible in the event a claim is either threatened or filed against Client relating to Transactions or the Services or a fine or other penalty is assessed or threatened relating to Transactions or the Services.

4.5.3. Client represents, warrants and agrees that it is and will continue to be in full compliance with all applicable requirements of the Client Information Security Program of VISA, the Site Data Protection Program of MasterCard, and similar programs of other Networks, and any modifications to such programs that may occur from time to time. Upon the request of Consultant, Client shall provide Consultant with documentation reasonably satisfactory to Consultant verifying compliance with this Section.

4.5.4. Client hereby grants Consultant the full right, power and authority to request, receive and review any Data or records reflected in a Transaction report. Client represents and warrants that it has the full right and authority to grant these rights.

FEES

5. **Pricing Adjustments** – All pricing listed in this Schedule will be honored during the first twelve months of software services. Any additional/optional services needed after this period will be provided using Consultant's current pricing schedule at the time the service is requested.

6. **Software Services**

6.1. **One Time Costs**

Item	*Price*	*Comments*
Prime Cloud Software License Fee (HdL Hosted)	$44,000.00	6 Named Users
Prime Cloud Web Module	Included	Must use HdL supported FIS Global payment gateway. Non-supported gateways require a development charge of a minimum of $5,000.00 + Specifications.
Implementation	$14,500.00	Project management, installation, configuration, report design, training, etc.
BL + TOT/VHR	$6,000.00	
Data Conversion	$10,000.00	Up to 30 hrs. of work. Above 30 hrs., time, and material.

Finance Export	Included	A $6,000 Value. The finance export captures our Prime Cloud's payment information and converts it into a file (typically .xls or .csv file) to then upload into the City's cashiering system for reconciliation in a single payment system. Daily journal entry file export to finance system
Travel Expenses	TBD	At Cost
Training – 2 days	Included	Training consists of two (2) six (6) hour day sessions. Additional on-line training days available at $2,000/day. Any on-site training will require additional travel and logistic expenses.
TOTAL	**$76,500.00**	**Total one-time costs**

Optional Services. The following optional services and start date shall be at the discretion of the city and shall require a detailed Statement of Work.

Item	*Price*	*Comments*
Transient Occupancy Tax Audits (with Scope of Services)	$2,150.00 each	Per Audit
Compliance Services (with Scope of Services)	40%	40% of all collected revenues
File conversion	$4,720.00	Conversion of any additional files/data (Maximum of 16 Hours)

6.1.1. **Prime Cloud Software License Fee** – Fee includes use of the software by the specified number of users and all standard forms and reports. Additional user licenses are available for $1,500.00 license fee plus $450 annual software use fee.

6.1.2. **Data Conversion** – Fee includes two (2) conversions of Client data. The first for the pre-install environment used for testing and training, and the second at go-live. Additional conversions can be performed, upon request, at a cost of $2,500 per conversion. Includes up to 30 hours of developer time. Abnormally complex conversions or poor data quality may require additional effort beyond the 30 hours, which will be charged at the developer hourly rate.

6.1.3. **Travel Expenses** – Travel and lodging expenses are billed at cost and apply to all meetings; including process, pre-installation, installation, training, and support. Consultant is dedicated to conserving public funds and ensures any travel costs are required and reasonable.

6.1.4. **Parcel Data –** Should Client desire for the software to incorporate parcel data, Consultant supports the following three methods:

6.1.4.1. If Client utilizes Consultant's property tax services, parcel data will be provided at no cost.

6.1.4.2. Client may purchase the data from Consultant. Cost of parcel data will be provided upon request.

6.1.4.3. Should Client desire to utilize another source of parcel data, Consultant can work with Client to create a re-useable import utility. The development of this utility will be billed on

a time and material basis. Once the source data has been reviewed, a statement of work will be provided including a cost and time estimate.

6.1.5. **Customizing Services** – Consultant's software is a customizable off the shelf system (COTS) and has been designed to meet all common needs of municipalities. Should the need occur, Consultant is available to provide custom enhancements to the software on a time and material basis. No work shall be performed without prior written approval of Client.

6.2. **Recurring Costs**

Item	*Price*	*Comments*
Prime Cloud Software Use Fee & Software Hosting	$22,000.00	Billed Annually + CPI. Includes 6 named remote user connections. Additional named user connections are $180/year.

6.2.1. **Prime Cloud Software Use Fee** – Software Use Fee is billed annually and provides for ongoing customer support and updates to the software. Fee will be increased as of January 1st of each calendar year starting January 1, 2025, with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), West Region, as reported by the U.S. Bureau of Labor Statistics (the "CPI Change"). Each annual increase in the Fees will be equal to the greater of two percent (2%) or the actual CPI Change and the lesser of ten percent (10%) or the actual CPI Change. For example, if the actual CPI Change is 1.5%, then the annual increase will be 2%, if the actual CPI Change is 3.5%, then the annual increase will be 3.5%, and if the actual CPI Change is 12%, then the annual increase will be 10%.

6.2.2. **Hosting Services** – The fee for software hosting services is billed annually in advance, along with the software use fee. Fee may be periodically revised, with three (3) months advance notice to Client, to account for changes in market costs related to hosting, such as internet bandwidth, power, security, and related equipment or services costs.

7. **Payment Processing Services** – Consultant will configure payment processing services to utilize either a taxpayer funded model (convenience fee) or Client funded interchange pass-through model. Client may switch between these models upon written request to Consultant.

7.1. **Taxpayer funded model -** Client authorizes Consultant to collect each convenience fee.

Item	*Price*
Credit and Debit Cards processing	2.9%, minimum of $2.00
ACH/eCheck processing	$1.25 per transaction
Payment Account Hosting and Maintenance	$33.26 per month
ACH/eCheck Returns	$0
Chargebacks	$0

7.2. **Client funded interchange pass-through model**

Item	*Price*
Credit and Debit Cards processing	2.9% + $0.30 per transaction

ACH/eCheck processing	$0.50 per transaction
Payment Account Hosting and Maintenance	$33.26 per month
ACH/eCheck Returns	$10.00 per event
Chargebacks	$25.00 per event

7.3. Fees do not include expenses, late fees or charges, or taxes, all of which shall be the responsibility of Client. In addition to the charges specified, Client shall be responsible for (a) all interchange and network provider fees, (b) all dues, fees, fines and assessments established and owed by Client to Visa and/or Mastercard, (c) for all costs and fees associated with changes to ATM protocol caused by Client's conversion to the Services, and (d) any increase in postage charges, provided that any increase in charges resulting from (a) through (d) shall not exceed the actual increase incurred by Consultant.

7.4. Consultant reserves the right to review and adjust all Client and convenience fee pricing on an annual basis in June. This adjustment may be consistent with the then most recent ECI adjustment or three percent (3%) whichever is greater. Items that will be considered in the review of fees may include, but are not limited to: regulatory changes, card association rate adjustments, card association category changes, bank/processor dues and assessments, average consumer payment amounts, and card type utilization.

8. **Payment Schedule**

8.1. All one-time project costs and the first-year service fees shall be paid as follows:

8.1.1. 60% of one-time costs shall be due within 30 days of the effective date of the Agreement.

8.1.2. 30% of one-time costs shall be due within 60 days of the effective date of the Agreement.

8.1.3. The final 10% shall be due within 30 days of full system delivery or first production use of the software, whichever comes first.

8.1.4. The first-year service fees shall be due on the Go Live Date.

8.2. Any travel and lodging expenses are billed at cost as they are incurred. Such expenses shall be due within 30 days of the billing date.

8.3. Recurring software service fees will be invoiced each year on the anniversary of the effective date of the Agreement and shall be due within 30 days of the invoice date.

8.4. Payment processing service fees are invoiced monthly for the prior month's activity and shall be due within 30 days of the invoice date.

IN WITNESS WHEREOF, the parties hereto have entered into this Schedule Z to the MSA through their duly authorized representatives as of _____, 2023.

Hinderliter De Llamas & Associates (HdL)	City of South Lake Tahoe, CA
By: _____	By: _____
Its: _____	Its: _____

-

HdL Companies

Sample Project Plan				
S. NO	Task	Task	Activity	Estimated Work Duration
1	Discovery and Data Gathering	Hand off call from Sales to Implementation with the client	Meet with Sales	2weeks
2			Request setup documentation (W9, GL code, logo, letters/renewal, application,	
3			Confirm funding model	
4		Review website for municipal code, download forms, fee schedule and screenprint BL webpages		
5		Data and Integration Review	Review integration requirements	
6			Review Historical data file requirements	
7		Determine Go Live date		
8		Receive requested documents/information		
9		Create Project Plan		
10	Project Kick Off	Conduct Internal Kick-off meeting		1week
11		Conduct Project Kick-off meeting		
12		Conduct Process Meeting with client		
13		Document workflow for business license and other city applications/renewal processes		
14		Sign off on workflow process		
15	Configuration/Data Conversion	Develop Reports	Create development tickets for development	4-6weeks
16			Receive reports from Dev	
17			Test Reports	
18		Sign off on Reports		
19		Create staging environment		
20		Request initial historical data file		
21		Create and send initial historical data file		
22		Receive and Complete data mapping and conversion		
23		Sign off data mapping file		
24		Application & Integration Configuration	Configure HdL Prime, setup city users	
25			Validate and approve configuration	
26			Configure other integration requirements	
27		Validate and approve data		
28	Pre-Production QA and Sign-off	Conduct end to end testing	Test rate types on desktop and web	2weeks
29			Test HdL Prime configuration	
30		Conduct Training		
31		Conduct UAT		
32	GO-LIVE	Conduct GO/NO GO meeting and decision with internal stakeholders		2-3 days
33		Apply Final Data	Create and Provide Final data	
34			Convert final data	
35			Validate final data	
36		Deploy Staging to Production		
37		Complete Production Setup		
38	Close Project or Phase	Formal acceptance of deliverable(s)		2-3 days
39		Conduct Lessons Learned		
40		Transition to Client Support		

HINDERLITER DE LLAMAS & ASSOCIATES (HDL)
Tax and Fee Administration Services and Fees
Transient Occupancy Tax Audits

SCOPE OF SERVICES

Consultant will provide the following Services relative to Client's transient occupancy tax audits upon Client's request.

1. Audit Services

1.1. Analyze Client transient occupancy tax ordinance and business procedures, and recommend possible improvements or best practices for processes, form design, and ordinance.

1.2. Analyze lodging provider data and review analysis findings with Client. Analysis will include the most recent thirty-six (36) months of tax filings along with supplemental data as available (including number of rooms, occupancy rate, physical condition, and business dynamics).

1.3. Recommend lodging providers who merit additional investigation or examination to determine their compliance with Client's ordinance.

1.4. Lodging providers identified by Consultant and approved by Client for audit are scheduled for a compliance analysis audit.

1.5. Review records of the lodging provider for information related to compliance with Client regulations (including endeavoring to validate taxable gross rents, exemptions, bank statements, daily/monthly summaries, and other relevant compliance-related information). Supporting documentation for relevant items such as exemptions will also be reviewed.

1.6. Generate lodging provider compliance report (including results of the compliance analysis audit and recommended actions). Review report with Client and determine next steps.

1.7. Notify deficient lodging providers of the findings as well as instructions for payment and appeal processes. Schedule appointments with lodging providers to review findings and educate regarding proper filing procedures in order to prevent future errors and deficiencies.

1.8. Send compliant lodging providers a letter of commendation, thanking them for their cooperation and compliance.

1.9. Invoice lodging providers found to be underreporting through the standard Client approved collections process.

FEES

2. Audit Services

2.1. Fees for performing audit Services are $2,150.000 per property.

2.1.1. Fees will be increased as of January 1st of each calendar year starting with January 1, 2025 with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), West Region, as reported by the U.S. Bureau of Labor Statistics (the "CPI Change"). Each annual increase in the Fees will be equal to the greater of two percent (2%) or the actual CPI Change and the lesser of ten percent (10%) or the actual CPI Change. For example, if the actual CPI Change is 1.5%, then the annual increase will be 2%, if the actual CPI Change is 3.5%, then the annual increase will be 3.5%, and if the actual CPI Change is 12%, then the annual increase will be 10%.

2.2. Fees related to travel and lodging expenses are billed at cost and apply to all meetings (including implementation, training, operations and support).

2.3. Fees will be invoiced monthly to Client for Services performed during the prior month. Client will submit payment for any balance due to Consultant within 30 days of receiving the invoice.

3. **IN WITNESS WHEREOF**, the parties hereto have entered into this Schedule F to the MSA through their duly authorized representatives as of _____, 2023.

CONSULTANT:	**CLIENT:**
Hinderliter De Llamas & Associates (HdL)	City of South Lake Tahoe, CA
By: _____	By: _____
Its: _____	Its: _____
-	-

EXHIBIT B

COMPENSATION SCHEDULE SUMMARY

BUDGET

Estimated fees (one-time costs not to exceed)	$ 76,500.00
Recurring Annual Software Use and Hosting Fee	$22,000.00
Travel and out-of-pocket expenses	TBD, upon approval

(travel expenses will be submitted at cost, per prior approval by the City)

TOTAL (First Year, Not To Exceed)	$76,500.00
Not to Exceed Annually starting Go Live Date (plus CPI)	$22,000.00
Optional Services:	
Transient Occupancy Tax Audits (per audit)	$2,150
Compliance Services (BL audit) (of all collected revenues)	40%
File conversion (maximum of 16 hours)	$4,720

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:

By:_____

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 12

Agenda Item: Issuance of 2023 Lease Revenue Bonds Series A for the Multigenerational Recreation and Aquatic Center Construction Financing in a Principal Amount Not to Exceed $59 Million

Executive Summary: The City contemplates a bond financing to help fund the proposed construction of the Multigenerational Recreation and Aquatic Center ("Recreation Center Complex"), with the remaining portion of the construction and other additional auxiliary costs currently estimated to total approximately $73.7 million. On August 9, 2022, the South Tahoe Joint Powers Financing Authority (STJPFA or Authority), adopted Resolution 2022-001 authorizing the issuance and sale of lease revenue bonds in an aggregate principal amount not to exceed $52,000,000 in order to finance the cost of construction of the new Recreation Center Complex. The Department of Public Works released Phase 2 bid documents for the vertical construction and remaining site work to the public on August 22, 2022. On October 24, 2022, the City received two bids for the project. On November 15, 2022, the City Council rejected both bids and directed staff to re-bid the project. On May 16, 2023, the City issued the bid documents to the four qualified bidders. On June 27, 2023, the City received one bid from Roebbelen Contracting, Inc for the Base Bid amount of $67,526,000 and the total bid amount of $67,851,097, including alternates. The project will be financed by the 2023 Lease revenue bonds. To take advantage of favorable market conditions, it is beneficial to increase the not-to-exceed bond principal authorization to $59,000,000 to provide more flexibility. A decline in interest rates can lead to a scenario where the borrowing amount can be increased, and the associated annual debt service remain the same or decrease. Additionally, this scenario could potentially require less general fund monies allocated to the project.

Requested Action / Suggested Motions: 1) Hold a Public Hearing with the respect to the proposed issuance of bonds by the South Tahoe Joint Powers Financing Authority (Authority) to assist the City with financing the construction of the Recreation Center Complex; 2) Acting as the City Council, Pass a Resolution approving the issuance of the Authority Lease Revenue Bonds, 2023 Series A, and authorizing the City`s execution and delivery of related documents and taking related actions; and, 3) Acting as the Authority, Pass a Resolution authorizing the sale, issuance and delivery of Lease Revenue Bonds, 2023 Series A, and authorizing the execution and delivery of an indenture and other documents and taking related actions.

Responsible Staff Member: Joe Irvin, City Manager and Authority Executive Director, Olga Tikhomirova, Finance Director and Authority Treasurer

Reviewed and Approved By: Susan Blankenship, City Clerk Heather Stroud, City Attorney

Attachments:

01-Staff_Report_2023_Lease_Revenue_Bonds_for_Rec_Center.docx
02-Resolution 2023 Lease Revenue Bonds Rec Center.DOCX
03-STJPFA Resolution 2023 Lease Revenue Bonds Rec Center.DOCX
04-Lease Agreement SLT 2023 Lease Revenue Bonds.DOCX
05-Sublease Agreement SLT 2023 Lease Revenue Bonds.DOCX
06-Assignment Agreement SLT 2023 Lease Revenue Bonds Rec Center.DOCX
07-Continuing Disclosure Certificate SLT 2023 LRBs.pdf
08-Preliminary Official Statement (POS) SLT 2023 LRBs.pdf
09-Bond Purchase Agreement SLT 2023 LRBs.pdf
10-Indenture SLT 2023 Lease Revenue Bonds.DOCX

11-Notice of Public Hearing Proof 2023 LRBs.pdf
12-City of SLT_Presentation 2023 Bonds.pptx

City of South Lake Tahoe
Report to **City Council** and
South Tahoe Joint Powers Financing Authority

Meeting Date: August 8, 2023

Title: Proposed Issuance of 2023 Lease Revenue Bonds Series A for the Recreation Center Construction Financing

Location: Citywide

Responsible Staff Member: Joe Irvin, City Manager and Authority Executive Director (530) 542-6043; Olga Tikhomirova, Director of Finance and Authority Treasurer, (530) 542-7431

Background: The City contemplates a bond financing to help fund the proposed construction of a new Recreation Center Complex (currently estimated to be approximately $71.58 million).

On August 9, 2022, the South Tahoe Joint Powers Financing Authority (STJPFA or Authority), adopted Resolution 2022-001 authorizing the issuance and sale of lease revenue bonds in an aggregate principal amount not to exceed $52,000,000 in order to finance the cost of construction of the new Recreation Center Complex.

On October 24, 2022, the Department of Public Works received two bids for the project. On November 7, 2022, the lowest bidder notified the Department of Public Works of their request to withdraw their bid per Public Contract Code section 5103, citing clerical error. On November 15, 2022, the South Lake Tahoe City Council voted to reject all bids for construction on the project. The City Council directed staff to conduct value engineering, consider additional contractor incentives, and re-bid the project.

Staff worked with the consultants to incorporate value engineering and other incentives in the contract provisions. In addition, staff developed Pre-Qualification requirements and advertised the requirements on Planet Bids on March 24, 2023. Four Contractors submitted Pre-Qualification documents, and all four were selected for submittal of the bids. On May 16, 2023, the City issued the Bid documents to the four qualified bidders.

On June 27, 2003, the City received one bid from Roebbelen Contracting, Inc. for the Base Bid amount of $67,526.000.00. On August 8, 2023, Staff will recommend to award the bid to Roebbelen Contracting, Inc.

Please see the following staff reports for further information:

- **Construction Contract Award for Multi-Generational Recreation and Aquatics Center Phase 2 (August 8, 2023)**

The Bonds to fund Phase 2 of the project will be issued by the South Tahoe Joint Powers Financing Authority ("Authority"). Pursuant to Government Code Section 6586.5, the City must make a finding of significant benefit before the Authority's issuance of the Bonds, after the noticed public hearing. Notice of the public hearing was published on July 28, 2023.

Staff recommends that the Council hold the public hearing and adopt a Resolution (attachment #2) to make a finding of significant benefit, approve the issuance of the Bonds and authorize the execution of related documents. Pursuant to the resolution to be adopted by the Authority, the new principal amount of the Bonds will not exceed $59 million, and the true interest cost will not exceed 6.0 percent.

As described above, the previously approved par amount for the proposed financing is $52 million. To take advantage of favorable market conditions, it is beneficial to increase the not-to-exceed principal authorization beyond the expected borrowing amount to provide more flexibility. Effectively, $52 million is the debt capacity of Measure P revenues using **conservative** interest rate assumptions. A decline in interest rates can lead to a scenario where the borrowing amount can be increased, and the associated annual debt service remain the same or decrease. Additionally, this scenario could potentially require less general fund monies allocated to the project. The new proposed par amount of the bonds is $59 million. The actual bond principal (or par) amount will not exceed a level where the required debt service is greater than the estimated FY 2022/23 Measure P revenues.

Issue and Discussion: The City is undertaking to build a new Recreation Center Complex. The current estimated cost of phase 2 construction is approximately $71.58 million with other additional auxiliary costs of approximately $2,075,000. A bond financing is proposed to fund the project. A portion of the project will be financed by the Bonds and the City will finance the rest of the project.

The Bonds will be in the form of "lease revenue bonds" to be issued by the Authority. Based on market estimates as of June 30, 2023, the principal amount of the Bonds will be not to exceed $59 million. The principal and interest payments, together, on the bonds is expected to be approximately $3.39 million each fiscal year until final maturity for the 30-year term of the Bonds. The City anticipates paying 100% of debt service on the Bonds from Measure P revenues; however, if Measure P revenues are insufficient for such purpose in a particular year, the City may use any other legally available sources, including General Fund revenues, for such payments. For Fiscal Years 2016-17 through 2021-22, Measure P revenues were $2,507,719, $3,307,933, $3,435,411, $2,764,825, $3,234,866, and 3,424,163 respectively. There is no sunset date for Measure P.

City staff will also recommend (in a separate resolution) the appropriation of funds to complete the funding for phase 2 of the project and associated labor compliance, permitting and utilities fees with Measure P cash on hand in the amount of up to $11,200,000, Measure S sales tax General Fund available fund balance in the amount of up to $1,000,000, unallocated ARPA funding in the amount of approximately $2,700,000, and General Fund Undesignated Excess Reserves in the amount of up to $2,600,000.

Financing Structure

The proposed financing will involve a “lease-lease back” arrangement. The Bonds will be issued pursuant to an Indenture (the “Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “Trustee”). The Bonds will be payable from “Revenues” of the Authority which primarily consist of lease payments (the “Lease Payments”) to be made by the City to the Authority pursuant to the Sublease for the leasing the following properties (collectively, the “Leased Properties”): (1) 1352 Johnson Boulevard - Police Station; (2)1176 Rufus Allen - Ice Arena; (3) 1201 Al Tahoe - Bijou Park; and (4) 1150 Rufus Allen - the new Recreation Center Complex Property. The City will agree to annually appropriate sufficient moneys to satisfy the Lease Payments.

Financing Documents

City Council Resolution: By adopting the Resolution (attachment #2), the City Council will authorize the issuance of the Bonds and approve the execution and delivery of the following documents. The documents are substantially the same as the documents approved in the 2022 Resolution. Primarily, updates include the revised year of issuance as well as additional updated City information in the City’s Preliminary Official Statement. Each of the documents are presented in substantial final form and will be completed after the Bonds are priced (i.e., when the principal amount of the Bonds, the interest rates and the original issue premium or discount will be determined).

(i) Lease Agreement (the “Lease”),
(ii) Sublease Agreement,
(iii) Continuing Disclosure Certificate,
(iv) Preliminary Official Statement, and
(v) Bond Purchase Agreement.

Authority Resolution: By adopting the Resolution (attachment #3), the Authority Board will authorize the issuance of the Bonds and approve the execution and delivery of the following documents. The documents are substantially the same as the documents approved in the 2022 Resolution. Primarily, updates include the revised year of issuance and the new not to exceed bond par amount as well as additional updated City information in the City’s Preliminary Official Statement. Each of the documents are presented in substantial final form and will be completed after the Bonds are priced (i.e., when the principal amount of the Bonds, the interest rates and the original issue premium or discount will be determined).

(i) Indenture,
(ii) Lease Agreement,
(iii) Sublease Agreement,
(iv) Assignment Agreement,
(v) Preliminary Official Statement, and
(vi) Bond Purchase Agreement.

Below are brief descriptions of these documents:

(i) Lease Agreement: (Attachment 4)

Under the Lease Agreement, the City will lease the Leased Properties to the Authority in consideration for the application of the bond proceeds for the project.

(ii) Sublease Agreement: (Attachment 5)

Under the Sublease, the Authority will sublease the Leased Properties to the City and the City will pay the Lease Payments. The scheduled Lease Payments will correspond, in amounts and due dates, to the scheduled principal and interest payments of the Bonds. The City will also covenant to maintain certain insurance coverage with respect to the Leased Properties.

(iii) Assignment Agreement: (Attachment 6)

Under this agreement, the Authority will assign its right to receive the Lease Payments from the City pursuant to the Sublease and certain other rights under the Lease and Sublease to the Trustee, for the benefit of the owners of the Bonds.

(iv) Continuing Disclosure Certificate: (Attachment 7)

Under the Continuing Disclosure Certificate, the City will agree to provide a copy of its audited financial statements and a report of other information relevant to the security of the Bonds for filing each year, to make this information available to the investors. The City will also agree to disclose and make filings upon the occurrence of certain enumerated events (such as material default by the City on its financial obligations).

(iv) Preliminary Official Statement:(Attachment 8)

In connection with a public offering, the Preliminary Official Statement (the "POS") will be distributed by the underwriter to potential investors. The POS provides a summary of the proposed terms of the Bonds, the sources of repayment and certain risks relating to the investment in the Bonds. As permitted by federal securities laws, some of the terms relating to the Bonds (such as interest rates and redemption schedule), will appear as blanks or be footnoted as "preliminary; subject to change" in the POS and will not be determined until the pricing of the Bonds. After the pricing of the Bonds, these terms will be inserted, and the POS will be converted into a final Official Statement. The underwriter will then distribute the Official Statement to buyers of the Bonds and cause it to be uploaded onto the Electronic Municipal Market Access website (known as EMMA), the official repository for information pertaining municipal securities issued in the United States.

The Official Statement is the "offering document" for the Bonds, required to be made available to investors pursuant to federal securities laws. The Official Statement must include all information that would be material to a prospective investor's decision whether to purchase the Bonds. While the various members of the financing team have contributed to the preparation of the POS and the Official Statement, the City and the Authority are ultimately responsible for ensuring that the POS is accurate, contains no misleading information and does not omit any information necessary to make the POS not misleading to investors.

(v) Bond Purchase Agreement: (Attachment 9)

In connection with a public offering, this agreement will be executed on the day that the Bonds are priced (i.e., when the principal amount of the Bonds, the interest rates and the original issue premium or discount will be determined, a few weeks before the closing date). Under this agreement, the underwriter will agree to buy the Bonds from the Authority on the issuance date of the Bonds upon satisfaction of the closing conditions specified in the Bond Purchase Agreement, including the execution and delivery of applicable documents by the Authority and the City.

(vi) Indenture: (Attachment 10)

The Indenture contains provisions pertaining to the terms of the Bonds, including maturity schedule, interest rates and redemption provisions. It also provides for the establishment and maintenance of certain funds and accounts (including a debt service reserve account) and the rights and duties of the Trustee. Under the Indenture, the Authority will pledge "Revenues" derived from the City's Lease Payments under the Sublease to pay debt service on the Bonds.

Financing Team

PFM Financial Advisors LLC is the City's Municipal Advisor, Richards, Watson & Gershon, A Professional Corporation, serves as Bond Counsel, Jones Hall, A Professional Law Corporation, serves as Disclosure Counsel, and Stifel is the Underwriter.

RECOMMENDED ACTION

- Hold a public hearing pursuant to Government Code Section 6586.5 with respect to the proposed issuance of the Bonds and the financing of the Recreation Center Complex project.

- Adopt Resolution of the City Council of the City of South Lake Tahoe Approving the Issuance of the South Tahoe Joint Powers Financing Authority Lease Revenue

Bonds, 2023 Series A, Authorizing the City's Execution and Delivery of Related Documents and Taking Related Actions

- Adopt Resolution of the South Tahoe Joint Powers Financing Authority Authorizing the Sale, Issuance and Delivery of Lease Revenue Bonds, 2023 Series A, Authorizing the Execution and Delivery of an Indenture and Other Documents and Taking Related Actions

Financial Implications: Stifel, Nicolaus & Company, Incorporated ("Stifel"), the Underwriter, has provided estimates regarding certain financial aspects of the proposed financing based on market conditions as of July 31, 2023, which estimates have been reviewed by PFM Financial Advisors LLC, the Municipal Advisor.

The current estimates indicate that the principal amount of the Bonds will be approximately $51.3 million (below the not to exceed amount of $59 million). The principal and interest payments, together, on the Bonds will be approximately $3.4 million each fiscal year until final maturity. The term of the Bonds will be 30 years.

Pursuant to Government Code Section 5852.1, the following good faith estimates (obtained from the Underwriter and the Municipal Advisor) must be disclosed at a public meeting before the authorization of the Bonds. The estimates are based on market estimates as of July 31, 2023:

Information to be disclosed per Government Code Section 5852.1:	*Estimates as of July 31, 2023**
True interest cost of the Bonds (the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of Bonds)	4.39%
Finance charge of the Bonds (the sum of fees and charges paid to third parties):	$506,500
Amount of proceeds received by the public body from the sale of the Bonds, less the finance charge of the bonds and any reserves or capitalized interest paid or funded with proceeds of the Bonds	$55,892,848
The total payment amount (the sum total of all debt service payments on the Bonds, plus the finance charge of the Bonds not paid from bond proceeds)	$102,150,368

* *These are good faith estimates only. Final results will likely differ based on market conditions as of the actual sale date and other factors*.

Environmental Considerations: An Initial Study/Mitigated Negative Declaration (IS/MND) under the California Environmental Quality Act (CEQA) for the 56 Acres Master Plan and Recreation Center Complex was adopted by the City Council on January 18, 2022, and the Notice of Determination was filed with the El Dorado County Clerk on January 19, 2022. The issuance of bonds for the Recreation Center Complex is within the scope of the IS/MND and no further environmental review is required under CEQA Guidelines section 15162.

Policy Implications: Consistent with City's Financial Policies and City Council Strategic Priority 1 – Built Environment, Goal 1.2 Mid-Town Revitalization.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

August 8, 2023

Approving the Issuance of the South Tahoe Joint Powers Financing Authority Lease Revenue Bonds, 2023 Series A, Authorizing the City's Execution and Delivery of Related Documents and Taking Related Actions

BACKGROUND

A. The South Tahoe Joint Powers Financing Authority (the "Authority") is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, by and between the City of South Lake Tahoe (the "City") and the Parking Authority of the City of South Lake Tahoe, and under the provisions of Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act to issue bonds to provide financing for public capital improvements.

B. The Authority proposes to issue and sell lease revenue bonds (the "Bonds"), to be secured pursuant to an Indenture (the "Indenture"), to be entered into by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

C. Proceeds of the Bonds will used to assist the City with financing the cost of construction of a new multigenerational recreation center (the "Project").

D. In connection with the issuance of the Bonds, it is proposed that the Authority will enter into a Lease Agreement (the "Lease"), under which the Authority will lease certain real properties, including the land and the improvements thereon (collectively, the "Leased Properties") from the City, and a Sublease (the "Sublease"), under which the City will sublease the Leased Properties from the Authority and make base rental payments, calculated to be sufficient to allow the Authority to pay principal and interest payments on the Bonds.

E. For the benefit of the holders of the Bonds, the Authority will enter into the Assignment Agreement (defined below) under which the Authority will assign its right to receive the base rental payments and certain other rights of the Authority under the Lease and Sublease to the trustee for the Bonds.

F. There has been presented to the Authority and the City a Bond Purchase Agreement (the "Bond Purchase Agreement"), to be entered into by and among the Authority, the City and Stifel, Nicolaus & Company, Incorporated, as underwriter (the

"Underwriter"), pursuant to which the Underwriter will purchase the Bonds, upon their issuance, from the Authority.

G. Pursuant to Section 6586.5 of the California Government Code, after notice duly published in accordance with law, the City Council held a public hearing on this date with respect to the proposed issuance of the Bonds and the related financing and received evidence concerning the public benefits therefrom.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe hereby finds, determines, resolves and orders as follows:

1. Recitals. The above recitals are true and correct and are a substantive part of this Resolution.
2. Finding of Public Benefit; Approval of Bond Issuance. The City Council hereby finds that the Authority's issuance of the Bonds to finance the Project will result in significant public benefit to the constituents of the City, including more efficient delivery of local agency services to residential and commercial development. The City Council hereby approves the issuance of the Bonds.
3. Lease. The Lease Agreement (the "Lease"), proposed to be entered into by and between the City, as lessor, and the Authority, as lessee, in the form on file with the City Clerk, is hereby approved. Each of the Mayor, the Mayor Pro Tem, and the City Manager (together, the "Authorized Officers"), acting singly, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Lease in substantially said form, with such changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).
4. Sublease. The Sublease (the "Sublease"), proposed to be entered into by and between the Authority, as sublessor, and the City, as sublessee, in the form on file with the City Clerk, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Sublease in substantially said form, with such changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).
5. Bond Purchase Agreement. The Bond Purchase Agreement, in the form on file with the City Clerk, is hereby approved. Subject to the satisfaction of the parameters set forth in the resolution of the Authority authorizing the issuance of the Bonds (the "Authority Resolution"), each Authorized Officer, acting individually, is hereby authorized, for and in the name and on behalf of the City, execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).
6. Preliminary Official Statement. The Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), in the form on file with the City Clerk, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the City, to cause the Preliminary Official Statement

in substantially said form, with such additions or changes therein as such Authorized Officer may approve, to be deemed final for the purposes of Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934. The distribution by the Underwriter of copies of the Preliminary Official Statement to potential purchasers of the Bonds is hereby approved.

7. Official Statement. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the City, to cause the Preliminary Official Statement to be brought into the form of a final Official Statement (the "Official Statement"), and to execute the same for and in the name and on behalf of the City, with such additions or changes therein as such Authorized Officer may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof). The distribution and use of the Official Statement by the Underwriter in connection with the sale of the Bonds are hereby approved.

8. Continuing Disclosure Certificate. The Continuing Disclosure Certificate, in the form attached as Appendix D to the form of Preliminary Official Statement on file with the City Clerk, is hereby approved. Each Authorized Officer, acting individually, is hereby authorized, for and in the name and on behalf of the City, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

9. In connection with the issuance of the 2023 Bonds, the appointment of the following firms is hereby approved: (i) PFM Financial Advisors LLC, as municipal advisor, (ii) Richards, Watson & Gershon, A Professional Corporation, as bond counsel, and (iii) Jones Hall, a Professional Law Corporation, as disclosure counsel.

10. In accordance with Government Code Section 5852.1, there has been presented to this City Council in the Staff Report accompanying this Resolution certain good faith estimates provided to the City by its municipal advisor with respect to the Bonds. The City Council hereby finds that the requirements of Government Code Section 5852.1 have been satisfied.

11. The Authorized Officers and all other officers of City, are hereby authorized, jointly and severally, to execute and deliver any and all necessary instruments and to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution, the documents approved hereby, and to assist the Authority with respect to the issuance, sale and delivery of the Bonds (including, but not limited to, obtaining reserve fund surety bonds, bond insurance policies or other types of credit enhancement, as necessary or appropriate) and any such actions previously taken by such officers are hereby ratified and confirmed.

Adopted by the City Council of the City of South Lake Tahoe at a duly noticed regular meeting of the City Council held on August 8, 2023, by the following vote:

Yes:
No:
Absent:

Abstain:

_____ Date:_____

Cody Bass, Mayor Pro Tem

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Resolution 2023-XXX

Adopted by the South Tahoe Joint Powers Financing Authority

August 8, 2023

Authorizing the Sale, Issuance and Delivery of Lease Revenue Bonds, 2023 Series A, Authorizing the Execution and Delivery of an Indenture and Other Documents and Taking Related Actions

BACKGROUND

A. The South Tahoe Joint Powers Financing Authority (the "Authority") is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, by and between the City of South Lake Tahoe (the "City") and the Parking Authority of the City of South Lake Tahoe, and under the provisions of Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act to issue bonds to provide financing for public capital improvement.

B. The Authority proposes to issue and sell lease revenue bonds (the "Bonds"), to be secured pursuant to an Indenture (the "Indenture"), to be entered into by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

C. Proceeds of the Bonds will used to assist the City with financing the cost of construction of a new multigenerational recreation center (the "Project").

D. In connection with the issuance of the Bonds, it is proposed that the Authority will enter into a Lease Agreement (the "Lease"), under which the Authority will lease certain real properties, including the land and the improvements thereon (collectively, the "Leased Properties") from the City, and a Sublease (the "Sublease"), under which the City will sublease the Leased Properties from the Authority and make base rental payments, calculated to be sufficient to allow the Authority to pay principal and interest payments on the Bonds.

E. For the benefit of the holders of the Bonds, the Authority will enter into the Assignment Agreement (defined below) under which the Authority will assign its right to receive the base rental payments and certain other rights of the Authority under the Lease and Sublease to the trustee for the Bonds.

F. There has been presented to the Authority and the City a Bond Purchase Agreement (the "Bond Purchase Agreement"), to be entered into by and among

the Authority, the City and Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"), pursuant to which the Underwriter will purchase the Bonds, upon their issuance, from the Authority.

G. The City Council of the City, has made a finding, after a duly noticed public hearing pursuant to Section 6586.5 of the Government Code, that the issuance of the Bonds will result in significant public benefit.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the Governing Board of the South Tahoe Joint Powers Financing Authority hereby finds, determines, resolves and orders as follows:

1. The above recitals are true and correct and are a substantive part of this Resolution.

2. Acknowledgement of City Finding; Authorization of Bond Issuance. The Authority hereby acknowledges and concurs with the City Council's finding of significant public benefit. The Authority hereby authorizes the issuance and sale of the Bonds, subject to the parameters set forth below.

3. Indenture. Subject to the parameters set forth below, the issuance of the Bonds is hereby approved and authorized. The Indenture (the "Indenture"), proposed to be entered into by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the "Trustee"), in the form on file with the Authority Secretary, is hereby approved. Each of the Chairperson, the Vice Chairperson and the Executive Director of the Authority, and any officer of the Authority designated by any of them in writing (each, an "Authorized Officer"), acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

4. Lease. The Lease Agreement (the "Lease"), proposed to be entered into by and between the City, as lessor, and the Authority, as lessee, in the form on file with the Authority Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Lease in substantially said form, with such changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

5. Sublease. The Sublease (the "Sublease"), proposed to be entered into by and between the Authority, as sublessor, and the City, as sublessee, in the form on file with the Authority Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Sublease in substantially said form, with such changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

6. Assignment Agreement. The Assignment Agreement (the "Assignment Agreement"), proposed to be entered into by and between the Authority and the Trustee,

in the form on file with the Authority Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially said form, with such changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

7. Bond Purchase Agreement. The Bond Purchase Agreement, in the form on file with the Authority Secretary, is hereby approved. Subject to the parameters set forth below, each Authorized Officer, acting individually, is hereby authorized, for and in the name and on behalf of the Authority, execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

8. Bonds. The Executive Director is hereby authorized to act on behalf of the Authority to establish and determine: (i) the aggregate principal amount of the Bonds, which shall not exceed $59,000,000; (ii) the purchase price of the Bonds and the interest rates thereon, provided that the true interest cost shall not exceed 6.0%; and (iii) the Underwriter's compensation (discount) which shall not exceed one percent of the principal amount of the Bonds, exclusive of any original issue discount.

9. Preliminary Official Statement. The Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), in the form on file with the Authority Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to cause the Preliminary Official Statement in substantially said form, with such additions or changes therein as such Authorized Officer may approve, to be deemed final for the purposes of Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934. The distribution by the Underwriter of copies of the Preliminary Official Statement to potential purchasers of the Bonds is hereby approved.

10. Official Statement. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to cause the Preliminary Official Statement to be brought into the form of a final Official Statement (the "Official Statement"), and to execute the same for and in the name and on behalf of the Authority, with such additions or changes therein as such Authorized Officer may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof). The distribution and use of the Official Statement by the Underwriter in connection with the sale of the Bonds are hereby approved.

11. In connection with the issuance of the Bonds, the appointment of the following firms is hereby approved: (i) PFM Financial Advisors LLC, as municipal advisor, (ii) Richards, Watson & Gershon, A Professional Corporation, as bond counsel, and (iii) Jones Hall, a Professional Law Corporation, as disclosure counsel.

12. In accordance with Government Code Section 5852.1, there has been presented to this Board of Directors in the Staff Report accompanying this Resolution certain good faith estimates provided to the Authority by its municipal advisor with respect to the Bonds. The Board of Directors hereby finds that the requirements of Government Code Section 5852.1 have been satisfied.

13. The Authorized Officers, and all other officers of Authority, are hereby authorized, jointly and severally, to execute and deliver any and all necessary instruments and to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution, the documents approved hereby, and the issuance, sale and delivery of the Bonds (including, but not limited to, obtaining reserve fund surety bonds, bond insurance policies or other types of credit enhancement, as necessary or appropriate) and any such actions previously taken by such officers are hereby ratified and confirmed.

Adopted by the South Tahoe Joint Powers Financing Authority at a duly noticed regular meeting of the Governing Board held on August 8, 2023, by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____, 2023
Cody Bass, Vice Chair

Attest:

_____
Susan Blankenship, Authority Secretary

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Tahoe Joint Powers Financing Authority.

Recording requested by and when recorded mail to: City of South Lake Tahoe c/o Richards, Watson & Gershon, A Professional Corporation 350 South Grand Avenue, 37th Floor Los Angeles, California 90071 Attention: Lolly Enriquez, Esq.	

This Document is recorded for the benefit of the City of South Lake Tahoe and is exempt from California documentary transfer tax pursuant to Section 11928 of the California Revenue and Taxation Code and from recording fees pursuant to Sections 6103, 27383 and 27388.1 of the California Government Code.

==========

LEASE AGREEMENT

by and between

the

CITY OF SOUTH LAKE TAHOE,

as lessor

and the

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY,

as lessee

Dated as of August 1, 2023

==========

TABLE OF CONTENTS

		Page
SECTION 1.	DEFINITIONS	1
SECTION 2.	LEASE OF LEASED PROPERTY	2
SECTION 3.	TERM	2
SECTION 4.	RENTAL	2
SECTION 5.	TITLE	3
SECTION 6.	DEFAULT	3
SECTION 7.	EMINENT DOMAIN	4
SECTION 8.	RIGHT OF ENTRY	4
SECTION 9.	SURRENDER OF PROPERTIES UPON TERMINATION	4
SECTION 10.	QUIET ENJOYMENT BY THE AUTHORITY	4
SECTION 11.	ASSIGNMENTS AND SUBLEASES	4
SECTION 12.	WAIVER OF PERSONAL LIABILITY	5
SECTION 13.	TAXES	5
SECTION 14.	GOVERNING LAW	5
SECTION 15.	NOTICES	5
SECTION 16.	VALIDITY AND SEVERABILITY	5
SECTION 17.	PURPOSE OF LEASE	5
SECTION 18.	WAIVER OF DEFAULT	5
SECTION 19.	SECTION HEADINGS	6
SECTION 20.	AMENDMENTS	6
SECTION 21.	EXECUTION	6

EXHIBIT A DESCRIPTION OF LEASED PROPERTY

LEASE AGREEMENT

This Lease Agreement, dated as of August 1, 2023 (this "Lease"), is made by and between the CITY OF SOUTH LAKE TAHOE, a municipal corporation duly organized and existing under the laws of the State of California (the "City"), as lessor, and the SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY, a joint powers authority duly formed and existing under the laws of the State of California (the "Authority"), as lessee.

RECITALS:

A. The Authority is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, by and between the City of South Lake Tahoe (the "City") and the Parking Authority of the City of South Lake Tahoe, and under the provisions of Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act to issue bonds to provide financing for public capital improvements; and

B. The Authority is issuing its Lease Revenue Bonds, 2023 Series A (the "Bonds"), pursuant to the Indenture, dated as of August 1, 2023 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee.

C. Proceeds from the sale of the Bonds will be used to (i) finance the cost of construction of the City's new multigenerational recreation center, and (ii) pay cost of issuance.

D. In connection with the issuance of the Bonds, the City and the Authority desire to enter into this Lease, whereby the Authority will lease certain real property from the City (the "Leased Property").

E. Pursuant to the Sublease, dated as of even date herewith, by and between the City and the Authority, the Authority will sublease the Leased Property to the City.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

SECTION 1. DEFINITIONS.

Terms used and not otherwise defined herein but which are defined in the Indenture shall have the meanings ascribed to them in the Indenture. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings specified in this Section (the following definitions to be equally applicable to both the singular and plural forms of such defined terms):

"Bonds" means the Authority's Lease Revenue Bonds, 2023 Series A.

"Commencement Date" means the Closing Date with respect to the Bonds.

"Expiration Date" means October 1, 2053; provided, however, if the City is in default with respect to any Base Rental payment on October 1, 2053, then the Expiration Date shall be automatically extended to October 1, 2063.

"Indenture" means the Indenture, dated as August 1, 2023, by and between the Authority and the Trustee, relating to the Bonds, as the same may be amended, supplemented or otherwise modified from time to time, pursuant to the terms thereof.

"Lease" means this Lease, and as the same may be amended, supplemented or otherwise modified from time to time pursuant to the terms hereof.

"Leased Property" means the real property in the City described in Exhibit A of this Lease, and incorporated herein by reference, including improvements thereon, including the following: (1) 1352 Johnson Boulevard - Police Station; (2) 1176 Rufus Allen - Ice Arena; (3) 1201 Al Tahoe - Bijou Park; and (4) 1150 Rufus Allen - the Multigenerational Recreation Center Property.

"Sublease" means the Sublease, dated as of August 1, 2023, with respect to the Leased Property, by and between the Authority, as lessor, and the City, as lessee, and as the same may be amended, supplemented or otherwise modified from time to time pursuant to the terms thereof.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., its successors and assigns, acting as the Trustee under the Indenture.

SECTION 2. LEASE OF LEASED PROPERTY.

The City hereby leases the Leased Property to the Authority and the Authority hereby leases the Leased Property from the City, on the terms and conditions hereinafter set forth.

SECTION 3. TERM.

The term of this Lease shall commence on the Commencement Date and shall end on the last day of the term of the Sublease; which is the earliest of: (i) the Expiration Date; (ii) the date on which the Base Rental payments are paid (or prepaid) in full under the provisions of the Sublease; or (iii) the date of discharge of the Indenture.

SECTION 4. RENTAL.

The Authority agrees to pay to the Trustee on the Closing Date the proceeds of the Bonds as advance rental for the use and right to possession of the Leased Property for the term of this Lease. The rental shall be applied by the Trustee as provided in the Indenture.

SECTION 5. TITLE.

In accordance with the Sublease, the City shall obtain one or more CLTA (or at the City's sole discretion, ALTA) policies of title insurance at the time of and dated as of the Commencement Date in an amount not less than the aggregate principal amount of the Outstanding Bonds, payable to the Trustee, insuring the respective interests of the City and the Authority in the Leased Property, and insuring the validity of this Lease and the Sublease, issued by a title insurance company qualified to do business in the State of California and acceptable to the Authority. To the extent permitted under the Indenture, the costs of obtaining such title insurance policy or policies may be paid out of the sale proceeds of the Bonds.

SECTION 6. DEFAULT.

If -

(a) the Authority shall fail to keep, observe or perform any term, covenant or condition contained herein to be kept or performed by the Authority, or

(b) the Authority's interest in this Lease or any part thereof is assigned or transferred without the written consent of the City, either voluntarily or by operation of law or otherwise, except as provided in Section 11 hereof, or

(c) any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency or similar law or any law providing for the appointment of a receiver, liquidator, trustee or similar official of the Authority or of all or substantially all of its assets is instituted by or with the consent of the Authority, or is instituted without its consent and is not permanently stayed or dismissed within 30 days, or

(d) the Authority offers to the Authority's creditors to effect a composition or extension of time to pay the Authority's debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for readjustment of the Authority's debts, or

(e) the Authority shall make, in connection with any proceedings related to bankruptcy, insolvency, liquidation, winding up or similar events a general assignment or any assignment for the benefit of the Authority's creditors,

then the Authority shall be deemed to be in default hereunder and it shall be lawful for the City to exercise any and all rights and remedies available pursuant to law; provided, however, that: (i) no merger of this Lease and the Sublease shall be deemed to occur as a result thereof and (ii) so long as any Bonds remain outstanding, the City shall have no power to terminate this Lease by reason of any default on the part of the Authority.

Neither the City nor the Authority shall in any event be in default in the performance of any of its obligations hereunder or imposed by law unless and until the City or the Authority (as the case may be) shall have failed to perform such obligation within 30 days

after notice by the Authority or the City (as the case may be) to the nonperforming party properly specifying wherein such party has failed to perform any such obligation.

SECTION 7. EMINENT DOMAIN.

If the whole or any part of the Leased Property shall be taken under the power of eminent domain, the interest of the Authority shall be recognized and any condemnation award shall be applied as provided in Section 9 of the Sublease.

SECTION 8. RIGHT OF ENTRY.

The City and its assignees shall have the right to enter any of the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the City's or the Authority's rights or obligations under this Lease and (c) for all other lawful purposes.

SECTION 9. SURRENDER OF PROPERTIES UPON TERMINATION.

The Authority agrees upon the termination of this Lease to quit and surrender the Leased Property in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and the Authority and the City agree that any permanent improvements and structures existing upon the Leased Property at the time of the termination of this Lease shall remain thereon and title thereto shall be vested in the City.

SECTION 10. QUIET ENJOYMENT BY THE AUTHORITY.

The Authority shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the real property leased hereunder without suit, trouble or hindrance from the City, subject to the rights granted to the City under the Sublease, and subject to the Authority's compliance with the terms and provisions hereof.

SECTION 11. ASSIGNMENTS AND SUBLEASES.

The parties understand that this Lease and the rights of the Authority hereunder (except the Authority's rights to give approvals and consents hereunder and to indemnification and payment or reimbursement for any costs or expenses of the Authority hereunder) will be assigned to the Trustee pursuant to the Assignment Agreement for the benefit of the Owners of the Bonds. Except as provided in the foregoing sentence, the Authority shall not assign, mortgage, hypothecate or otherwise encumber this Lease or any rights hereunder or the leasehold created hereby by trust agreement, indenture or deed of trust or otherwise or sublet the Leased Properties without the written consent of the City except as provided by the Sublease and as security for the Bonds.

SECTION 12. WAIVER OF PERSONAL LIABILITY.

All liabilities hereunder on the part of the Authority shall be solely liabilities of the Authority as a separate legal entity, and no member, officer or employee of the Authority shall at any time or under any circumstances be individually or personally liable hereunder for anything done or omitted to be done by the Authority under this Lease.

SECTION 13. TAXES.

The City shall be responsible for the payment of any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property.

SECTION 14. GOVERNING LAW.

This Lease shall be governed exclusively by the provisions hereof and by the laws of the State of California.

SECTION 15. NOTICES.

Any notice, request, demand, or other communication under this Lease shall be governed by Section 9.14 of the Indenture, which is hereby incorporated.

SECTION 16. VALIDITY AND SEVERABILITY.

If for any reason this Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the City or by the Authority, or if for any reason it is held by such a court that any of the covenants and conditions of the Authority hereunder is unenforceable for the full term hereof, then and in such event this Lease is and shall be deemed to be a lease from year to year and all of the rental and other terms, provisions and conditions of this Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 17. PURPOSE OF LEASE.

The Authority covenants that during the term of this Lease, except to the extent that other uses may be permitted under the Sublease, it will use, or cause the use of, the Leased Property to be consistent with the descriptions set forth in the Sublease or related public purposes.

SECTION 18. WAIVER OF DEFAULT.

Failure of the City to take advantage of any default on the part of the Authority shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this Lease be construed to waive or to lessen the right of the City to insist upon performance by the Authority of any term, covenant

or condition hereof, or to exercise any rights given the City on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Lease.

SECTION 19. SECTION HEADINGS.

All section headings contained are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

SECTION 20. AMENDMENTS.

This Lease may not be amended unless such amendment is agreed upon in writing by the parties hereof; provided that, no such amendment shall materially affect the interests and rights of the Owners of the Bonds under the Indenture or the Sublease unless: (i) there shall have been delivered to the Trustee an opinion of Bond Counsel that such amendment will not adversely affect the tax-exempt status of any Bonds, or (ii) the Trustee shall have obtained written consent of the Owners of at least a majority in aggregate principal amount of the affected Bonds then Outstanding to such amendment. A substitution or release of any portion of the Leased Properties under this Lease and the Sublease, or an amendment to delete of a portion of the Leased Properties in connection with a partial prepayment of Base Rental under the Sublease from insurance or condemnation proceeds, shall not be considered as materially affecting the interests and rights of the Owners of the Bonds if such substitution, release or deletion complies with the provisions of the Sublease. The Authority shall provide copies of all amendments to the Trustee promptly after execution of any such amendment.

SECTION 21. EXECUTION.

This Lease may be executed in any number of counterparts, each of which shall be deemed to an original, but all together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City and the Authority have caused this Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF SOUTH LAKE TAHOE

By:_____
Cody Bass, Mayor Pro Tem

Attest:

_____
Susan Blankenship, City Clerk

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By:_____
Joe Irvin, Executive Director

Attest:

_____
Susan Blankenship, Secretary

EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SOUTH LAKE TAHOE, COUNTY OF EL DORADO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS, TOGETHER WITH IMPROVEMENTS THEREON:

PARCEL 1 - 1352 Johnson Boulevard - Police Station: (APN: 025-010-021-100)

All that portion of Section 3, Township 12 North, Range 18 East, M.D.M., more particularly described as follows:

Beginning at the corner common to Lots 1, 2 and 14 of said Section 3; thence along the lot line common to Lot 2 and Lot 14 South 89°26’11” West, 695.04 feet to a point of cap at a non-tangent curve from which the center bears South 30°11’22” West, 640.00 feet; thence Southeasterly along said curve through a central angle of 25°42’14” an arc distance 287.12 feet; thence tangent to said curve South 34°06’24” East, 108.00 feet; thence North 89°26’11” East, 617.42 feet; thence North 18°37’15” East, 303.22 feet to a point on the lot line common to Lot 1 and Lot 14; thence South 89°26’11” West, 287.86 feet to the point of beginning.

PARCEL 2 - 1201 Al Tahoe - Bijou Park: (APNs: 025-010-051, 025-041-009)

All that certain real property situate in Section 3, Township 12 North, Range 18 East, Mount Diablo Meridian, City of South Lake Tahoe, County of El Dorado, State of California, and being a portion of Government Lots 13 and 14 as shown on the Official Government Plat of Township 12 North, Range 18 East, Mount Diablo Meridian approved in 1866 and being further described as being a portion of the lands shown and delineated on that certain Record of Survey filed in Book 11 of surveys at Pages 52 thru 52C of the Official Records of El Dorado County, California, and being more particularly described as follows:

Beginning at a 3" Brass Disk stamped "RCE 5438" marking the Northeast Corner of Lot 14, as shown on said Record of Survey;

Thence from said Point of Beginning, along the north line of said Lot 14, South 89°23'26" West a distance of 377.01 feet;

Thence leaving said north line, South 00°24'15" East a distance of 715.00 feet;

Thence South 89°23'26" West a distance of 871.37 feet to a point of non-tangent curvature situate on the easterly right of way of Johnson Boulevard;

Thence along said right of way, from a radial line which bears South 50°44'21" East, southwesterly 75.27 feet along the arc of a 260.00 foot radius curve to the right, through a central angle of 16°35'12";

Thence continuing along said right of way, South 55°50'51" West a distance of 92.55 feet to a point of curvature;

Thence continuing along said right of way and the northeasterly right of way of Al Tahoe Boulevard, 39.27 feet along the arc of a 25.00 foot radius tangent curve to the left, through a central angle of 90°00'00";

Thence along said northeasterly right of way of Al Tahoe Boulevard, the following four (4) courses, distances and arcs:

1. South 34°09'09" East, 890.10 feet to a point of curvature;

2. Southeasterly 224.70 feet along the arc of a 1960.00 foot radius tangent curve to the left, through a central angle of 6°34'07";

3. South 40°43'16" East, 577.64 feet;

4. South 57°10'46" East, 140.80 feet;

Thence leaving said right of way, North 78°42'18" East a distance of 252.52 feet, more or less, to a point situate on the East line of aforementioned Section 3;

Thence along said Section Line, North 00°04'21" East a distance of 2245.13 feet to the Point of Beginning.

<u>PARCEL 3 - 1176 Rufus Allen – Ice Arena:</u> (Portions of APN 026-050-004-000 (old) 026-050-009 and 026-050-010 (new) and 026-050-005-000 (old) 026-050-007 and 026-050-009 (new)

All that certain real property situate in Lot 1 of Section 32, Township 13 North, Range 18 East, Mount Diablo Meridian, County of El Dorado, City of South Lake Tahoe, State of California, and being a portion of Tract A as said Tract shown and delineated on that certain Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder and being more particularly described as follows:

Commencing at the Southeast Corner of said Section 32:

Thence from said Point of Commencement, along the Easterly line of said Section 32, North 00°20'03" West a distance of 780.10 feet;

Thence leaving said Easterly Section Line, North 88°56'42" West a distance of 60.02 feet to the True Point of Beginning:

Thence, from said True Point of Beginning, leaving the aforementioned proposed westerly Right-of-Way line, North 88°56'42" West a distance of 576.88 feet;

Thence South 01'36'54" West a distance of 311.27 feet;

Thence South 89°02'41" East a distance of 97.32 feet;

Thence South 00°20'03" East a distance 42.68 feet;

Thence North 88°44'16" East a distance of 486.53 feet to a point of non-tangent curvature;

Thence from a radial line which bears South 83°56'49" East, northerly 65.77 feet along the arc of a 590.00 foot radius non-tangent curve to the left through a central angle of 06°23'14";

Thence North 00°20'03" West a distance of 289.90 feet to the Point of Beginning;

EXCEPTING THEREFROM the following parcel of land presently vested in the County of El Dorado:

Commencing at the 1-1/2 inch capped iron pipe stamped "LS 2403" set in a fence line on the West side of Rufus Allen Boulevard, and from which the Southeast corner of said Section 32, a brass capped 2 inch iron pipe stamped Section 32 and B.L.M., bears South 7° 07' East 547.63 feet distant; thence South 0° 49' East 60.92 feet to the Southwest corner, a point on the West side of Rufus Allen Boulevard; thence South 85° 58' West 240.00 feet to the Southwest corner; thence North 0° 50' West 207.59 feet to the Northeast corner, a point; thence South 87° 48' East 240.00 feet to the Northeast corner, a 1 inch capped iron pipe stamped "LS 2403 1972" set on the West side of Rufus Allen Boulevard; thence along the West side of Rufus Allen Boulevard South 0° 49' East 120.58 feet to the point of commencement.

Said land also being known as “Remaining Parcel 1” pursuant to that certain Certificate of Parcel Map Waiver recorded August 24, 2022 as Document No. 2022-0034734, of Official Records.

PARCEL 4 - 1150 Rufus Allen - Multigenerational Recreation Center: (Portions of APN 026-050-004-000 (old) 026-050-009 and 026-050-010 (new) and 026-050-005-000 (old) 026-050-007 and 026-050-009 (new)

All that certain real property situate in Lot 1 of Section 32, Township 13 North, Range 18 East, Mount Diablo Meridian, County of El Dorado, City of South Lake Tahoe, State of California, and being a portion of Tract A as said Tract shown and delineated on that certain Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder and being more particularly described as follows:

Commencing at the Southeast Corner of said Section 32:

Thence from said Point of Commencement, along the Easterly line of said Section 32, North 00°20'03" West a distance of 1321.81 feet;

Thence continuing along said Easterly Section Line, North 00°15'50" West a distance of 775.91 feet to a point situate on the southerly Right-of-Way line of U.S. 50;

Thence leaving said Section Line, along the aforementioned southerly Right-of-Way line, South 73°47'02" West a distance of 314.14 feet to the True Point of Beginning:

Thence from said True Point of Beginning, continuing along said southerly Right-of-Way line of U.S. Highway 50, South 73°47'02" West a distance of 210.75 feet to a point of curvature;

Thence continuing along said southerly Right-of-Way line, southerly end westerly 572.08 feet along the arc of a 990.00 foot radius tangent curve to the left through a central angle of 33°06'32";

Thence leaving said southerly Right-of-Way line, South 34°27' 10" East a distance of 514.27 feet to a point situate on the northerly line of a proposed 60.00 foot Right-of-Way as yet unnamed;

Thence along the said northerly proposed unnamed Right-of-Way line, South 88°31'49" East a distance of 631.90 feet to a point on the proposed westerly Right-of-Way line of Rufus Allen Boulevard,

Thence leaving the said northerly proposed unnamed Right-of-Way line and proceeding along said proposed westerly Right-of-Way line of Rufus Allen Boulevard, North 00°20'03" West a distance of 116.04 feet;

Thence continuing along said proposed westerly Right-of-Way line, North 00° 15' 50" West a distance of 140.25 feet;

Thence leaving said proposed westerly Right-of-Way line, North 89° 54' 15" West a distance of 245.35 feet; Thence North 00°04'52" East a distance of 547.79 feet to the Point of Beginning.

Said land also being known as “Remaining City Lands Proposed City Parcel 3” pursuant to that certain Certificate of Parcel Map Waiver recorded August 24, 2022 as Document No. 2022-0034734, of Official Records.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

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

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

WITNESS my hand and official seal.

Signature_____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

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

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

WITNESS my hand and official seal.

Signature_____ (Seal)

Recording requested by and when
recorded mail to:

City of South Lake Tahoe
c/o Richards, Watson & Gershon,
A Professional Corporation
350 South Grand Avenue, 37th Floor
Los Angeles, California 90071
Attention: Lolly Enriquez, Esq.

This Document is recorded for the benefit of the City of South Lake Tahoe and is exempt from California documentary transfer tax pursuant to Section 11928 of the California Revenue and Taxation Code and from recording fees pursuant to Sections 6103, 27383 and 27388.1 of the California Government Code.

==========

SUBLEASE

by and between

the

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY,

as lessor,

and the

CITY OF SOUTH LAKE TAHOE,

as lessee

Dated as of August 1, 2023

==========

TABLE OF CONTENTS

Page

SECTION 1. DEFINITIONS 1

SECTION 2. TERM 3

SECTION 3. RENTAL 3

SECTION 4. USE OF PROCEEDS 5

SECTION 5. MAINTENANCE, UTILITIES, TAXES AND ASSESSMENTS 5

SECTION 6. CHANGES TO THE LEASED PROPERTY 5

SECTION 7. TITLE INSURANCE 6

SECTION 8. OTHER INSURANCE 6

SECTION 9. DAMAGE, DESTRUCTION AND CONDEMNATION 8

SECTION 10. DEFAULT 9

SECTION 11. PREPAYMENT AND CREDITS 10

SECTION 12. RIGHT OF ENTRY 11

SECTION 13. MECHANICS' LIENS 11

SECTION 14. QUIET ENJOYMENT 12

SECTION 15. INDEMNIFICATION 12

SECTION 16. ASSIGNMENT TO TRUSTEE 12

SECTION 17. ABATEMENT OF RENTAL 13

SECTION 18. ADDITIONAL COVENANTS REGARDING TAX-EXEMPT BONDS 13

SECTION 19. SUBSTITUTION OR RELEASE OF PROPERTY 14

SECTION 20. WAIVER 15

SECTION 21. NET LEASE 15

SECTION 22. AMENDMENTS 15

SECTION 23. GOVERNING LAW 15

TABLE OF CONTENTS (cont.)

Page

SECTION 24. NOTICES 15

SECTION 25. VALIDITY AND SEVERABILITY 15

SECTION 26. SECTION HEADINGS 16

SECTION 27. EXECUTION 16

EXHIBIT A DESCRIPTION OF LEASED PROPERTY
EXHIBIT B BASE RENTAL PAYMENT SCHEDULE

SUBLEASE

This Sublease, dated as of August 1, 2023 (this "Sublease"), is made by and between the SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY, a joint powers authority duly formed and existing pursuant to the laws of the State of California (the "Authority"), as lessor, and the CITY OF SOUTH LAKE TAHOE, a municipal corporation duly organized and existing under the laws of the State of California (the "City"), as lessee.

RECITALS:

A. The Authority is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, by and between the City of South Lake Tahoe (the "City") and the Parking Authority of the City of South Lake Tahoe, and under the provisions of Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act to issue bonds to provide financing for public capital improvements; and

B. The Authority is issuing its Lease Revenue Bonds, 2023 Series A (the "Bonds"), pursuant to the Indenture, dated as of August 1, 2023 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee.

C. Proceeds from the sale of the Bonds will be used to assist the City with the financing the cost of construction of a new multigenerational recreation center complex.

D. In connection with the issuance of the Bonds, the City and the Authority are entering into the Lease Agreement, dated as of August 1, 2023 (the "Lease"), whereby the Authority will lease certain properties from the City (the "Leased Property").

E. Pursuant to this Sublease, the Authority will sublease the Leased Property to the City.

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

SECTION 1. DEFINITIONS.

Terms used and not otherwise defined herein but which are defined in the Indenture shall have the meanings ascribed to them in the Indenture. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Sublease, have the meanings specified in this Section (the following definitions to be equally applicable to both the singular and plural forms of any of such defined terms):

"Additional Rental" has the meaning assigned to that term in Section 3(b) hereof.

"Assignment Agreement" means the Assignment Agreement, dated as of August 1, 2023, by and between the Authority and the Trustee, as the same may be amended, supplemented or otherwise modified from time to time.

"Base Rental" has the meaning assigned to that term in Section 3(a) hereof.

"Bonds" means the Authority's Lease Revenue Bonds, 2023 Series A.

"Commencement Date" means the Closing Date with respect to the Bonds.

"Expiration Date" means October 1, 2053; provided, however, if on such date, the City is in default with respect to any Base Rental payment or an abatement event has occurred such that all Base Rental payments have not been made, then the Expiration Date shall be automatically extended to October 1, 2063.

"Indenture" means the Indenture, dated as August 1, 2023, by and between the Authority and the Trustee relating to the Bonds, as the same may be amended and supplemented from time to time in accordance with the terms thereof.

"Leased Property" means the real property in the City described in Exhibit A of this Sublease, and incorporated herein by reference, including improvements thereon, including the following: (1) 1352 Johnson Boulevard - Police Station; (2) 1176 Rufus Allen - Ice Arena; (3) 1201 Al Tahoe - Bijou Park; and (4) 1150 Rufus Allen - the Multigenerational Recreation Center Property

"Multigenerational Recreation Center Project" means the project to construct the City's new multigenerational recreation center, to be located at 1150 Rufus Allen Boulevard, South Lake Tahoe, California together with improvements thereon.

"Net Proceeds" means any insurance or condemnation proceeds, paid with respect to the Leased Property remaining after payment therefrom of all expenses in the collection thereof.

"Payment Date" means, with respect to a Base Rental payment, the date listed as its related "Payment Date" in Exhibit B of this Sublease.

"Permitted Encumbrances" means (a) liens for general *ad valorem* taxes, special taxes and assessments, if any, not then delinquent, or which the City may, pursuant to this Sublease, permit to remain unpaid; (b) liens created pursuant to or permitted under the Lease or this Sublease; (c) easements, right of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Commencement Date; (d) utility, access and other easements and rights of way, restrictions and exceptions that do not interfere with or impair the use intended to be made of the relevant Leased Property; (e) the City's right to access and exclusive right to use and maintain facilities essential to the City's utilities systems; (f) any right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law after the

Commencement Date; (g) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property similar in character to the relevant Leased Property and as do not materially impair the use intended to be made of property affected thereby; and (h) easements, right of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Commencement Date which do not materially impair the City's use of the Leased Property and to which the Authority and the City consent in writing.

"Rental Payments" means, together, Base Rental and Additional Rental.

"Sublease" means this Sublease, as the same may be amended and supplemented from time to time in accordance with the terms hereof.

SECTION 2. TERM.

(a) The Authority hereby subleases to the City and the City hereby leases from the Authority, the Leased Property on the terms and conditions set forth in this Sublease.

(b) The term of this Sublease shall commence on the Commencement Date, and shall end on the earliest of: (i) the Expiration Date; (ii) the date on which the Base Rental payments are paid (or prepaid) in full under the provisions the Sublease; or (iii) the date of discharge of the Indenture.

(c) Throughout the term of this Sublease, fee title to the Leased Property shall remain in the City. While any Bonds remain Outstanding under the Indenture, there shall be no merger of the subleasehold estate in the Leased Property created by this Sublease, the leasehold estate in the Leased Property created by the Lease, and the fee estate in the Leased Property merely because such estates, or any of them, have been acquired or become vested in the same person or entity.

SECTION 3. RENTAL.

Subject to the provisions of Sections 8(c) and 17 hereof, the City agrees to pay to the Authority, its successors or assigns, as rental for the use and possession of the Leased Property, the following amounts at the following times:

(a) The City shall pay as "Base Rental" to the Authority or to the Trustee, as hereinafter provided, semiannually, the rental payments in accordance with the Base Rental payment Schedule attached hereto as Exhibit B, less any amount credited against Base Rental pursuant to Section 4.02(d) of the Indenture. Each Base Rental payment shall be payable in arrears five days before its Payment Date, and shall be made in consideration for the City's use and possession of the Leased Property for the six month period preceding the Payment Date of such payment.

(b) The City shall also pay, as "Additional Rental" hereunder, in addition to the Base Rental, to the Authority or to the Trustee, as hereinafter provided, such amounts in

each year as shall be required for the payment of all costs and expenses (not otherwise paid for or provided for out of the proceeds of sale of the Bonds) incurred by the Authority or the Trustee in connection with the execution, performance or enforcement of this Sublease or the assignment hereof, the Indenture, or the Authority's or the Trustee's respective interests in the Leased Property, including, but not limited to, all fees, costs and expenses, all administrative costs of the Authority relating to the Leased Property (including, without limiting the generality of the foregoing, salaries and wages of employees, overhead, insurance premiums, taxes and assessments (if any), expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture), fees of auditors, accountants, attorneys or engineers, and all other reasonable and necessary administrative costs of the Authority or charges required to be paid by it to comply with the terms of the Bonds or of the Indenture. The Authority or the Trustee shall bill such Additional Rental to the City from time to time. The City shall pay amounts so billed within 30 days after receipt of the bill by the City.

(c) Such payments of Base Rental and Additional Rental for each rental payment period shall constitute the total rental for said rental payment period, and shall be paid by the City in each rental payment period for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property during each such period for which said rental is to be paid. The parties hereto have agreed and determined that such total rental does not exceed the fair rental value of the Leased Property for each such period. In making such determination, consideration has been given to other obligations of the parties under this Sublease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the City and the general public. The determination of fair rental value of the Leased Property pursuant to this paragraph shall not be deemed to be controlling in connection with a determination of fair value of the Leased Property by the parties hereto for any other purpose.

(d) Each installment of Base Rental payable hereunder shall be paid in lawful money of the United States of America to the order of the Trustee at the corporate trust office of the Trustee in Los Angeles, California, or such other place as the Trustee may designate.

(e) Notwithstanding any dispute between the City and the Authority, the City shall make all Rental Payments when due, without deduction or offset of any kind, and shall not withhold any Rental Payments pending the final resolution of any such dispute. In the event of a determination that the City was not liable for said Rental Payments or any portion thereof, said payments or excess of payments, as the case may be, at the option of the City, shall be credited against subsequent Rental Payments due hereunder or be refunded at the time of such determination.

(f) The City covenants to take such action as may be necessary to include all such Rental Payments due hereunder in its annual budget and to make the necessary annual appropriations for all such Rental Payments. If the City's adopted annual budget for any fiscal year fails to include sufficient appropriation for the scheduled Rental Payments for the such fiscal year, the City shall give written notice to the Authority and the Trustee of such failure as

soon as practical, but in any event within ten Business Days of the adoption of such annual budget. The covenants on the part of the City contained in this Sublease shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Sublease agreed to be carried out and performed by the City; provided, the obligation of the City to make Base Rental or Additional Rental payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental or Additional Rental payments constitutes an indebtedness of the City, the State or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction.

SECTION 4. USE OF PROCEEDS.

The Authority and the City agree that the proceeds of the Bonds will be used to: (i) finance the Projects, and (ii) pay the costs of issuing the Bonds and incidental and related expenses, as more fully set forth in the Indenture.

SECTION 5. MAINTENANCE, UTILITIES, TAXES AND ASSESSMENTS.

(a) During such time as the City or any assignee or sublessee thereof is in possession of the Leased Property, all maintenance and repair, ordinary or extraordinary, of the Leased Property shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of: (i) all utility services supplied to the Leased Property, (ii) the cost of operation of the Leased Property, and (iii) the costs of maintenance of and repair to the Leased Property resulting from ordinary wear and tear or want of care on the part of the City. The City shall, at the City's sole cost and expense, keep and maintain the Leased Property clean and in a safe and good condition and repair. The Authority shall have no obligation to alter, remodel, improve, repair, decorate, or paint the Leased Property or any part thereof, and the parties hereto affirm that the Authority has made no representations or warranties to the City respecting the condition of the Leased Property.

(b) The City shall comply with all statutes, ordinances, regulations, and other requirements of all governmental entities that pertain to the occupancy or use of the Leased Property. The Authority has no responsibility or obligation whatsoever to construct any improvements, modifications or alterations to the Leased Property.

(c) The parties hereto contemplate that the City will use the Leased Property for public purposes and, therefore, that the Leased Property will be exempt from all taxes presently assessed and levied with respect to real and personal property, respectively. In the event that the use, possession or acquisition by the Authority or the City of any of the Leased Property is found to be subject to taxation in any form, the City will pay during the term hereof, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to such

Leased Property and any other property acquired by the City in substitution for, as a renewal or replacement of, or a modification, improvement or addition to such Leased Property; provided, that with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are accrued during such time as this Sublease is in effect.

SECTION 6. CHANGES TO THE LEASED PROPERTY.

(a) The City shall have the right during the term of this Sublease to acquire and construct improvements or to attach fixtures, structures or signs to any of the Leased Property if the improvements, fixtures, structures or signs are necessary or beneficial for the use of such Leased Property by the City; provided, however, that no such acquisition or construction shall result in a material reduction in the aggregate value of the Leased Property or reduce the aggregate fair rental value thereof or result in an abatement of the Rental Payments.

(b) Upon termination of this Sublease, the City may remove any fixture, structure or sign added by the City, but such removal shall be accomplished so as to leave the Leased Property, except for ordinary wear and tear and damage by casualty, in substantially the same condition as they were in before the fixture, structure or sign was attached.

SECTION 7. TITLE INSURANCE.

The City shall obtain one or more California Land Title Association insurance policies (or, at the City's sole discretion, American Land Title Association insurance policies) at the time of and dated as of the Commencement Date in an aggregate amount not less than the aggregate principal amount of the Bonds, payable to the Trustee, insuring the respective interests of the City and the Authority in the Leased Property, and insuring the validity of this Sublease, subject only to Permitted Encumbrances, naming the Trustee as an insured thereunder, issued by a title insurance company qualified to do business in the State of California and acceptable to the Trustee. To the extent permitted under the Indenture, the costs of obtaining such title insurance policy or policies may be paid out of the sale proceeds of the Bonds.

SECTION 8. OTHER INSURANCE.

(a) Fire and Extended Coverage Insurance. The City shall maintain or cause to be maintained fire, lightning and extended coverage insurance on the Leased Property in an amount equal to (i) 100 percent of the then current replacement cost of the Leased Property, excluding the then fair market value of the land as unimproved or (ii) the principal amount of all outstanding Bonds, whichever is less (except that such insurance may be subject to a deductible clause not to exceed 10 percent of the amount of such policy). Earthquake insurance shall be maintained on the Leased Property only if available on the open market from reputable insurance companies at a reasonable cost. The extended coverage endorsement shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle

damage, smoke, vandalism, malicious mischief, dumping or other deposit of any pollutant or other debris and such other hazards as are normally covered by such endorsement. Each such policy of insurance shall be in form reasonably satisfactory to the Authority, and shall contain a clause naming the Trustee as an additional insured and making all losses payable to the Trustee, and all proceeds thereof shall be paid over to the party contractually responsible for making repairs of casualty damage.

In the event of any damage to or destruction of the Leased Property caused by the perils covered by such insurance, the proceeds of such insurance shall be utilized to repair, reconstruct or replace the Leased Property to the end that the project shall be restored to at least the same condition that it was in prior to such damage or destruction. Any balance of such proceeds not required for such repair, reconstruction or replacement shall be transferred to the Authority and treated as Revenues and applied in the manner provided in the Indenture.

(b) Liability Insurance. The City shall maintain or cause to be maintained public liability insurance with limits of not less than $3,000,000 for one person and $5,000,000 for more than one person involved in one accident to protect the Authority and the Trustee from all direct or contingent loss or liability for damages for bodily injury or death occasioned by reason of the construction, condition or operation of the Leased Property. The City will also maintain or cause to be maintained insurance against liability for property damage resulting from any casualty attributable to the operation of the project in an amount not less than $1,000,000 for each accident. The public liability insurance and property damage insurance may be subject to a deductible clause for anyone accident of not to exceed $250,000. The insurance coverage required by this subsection may be effected by blanket policies covering the Leased Property issued to the party contractually responsible for the maintenance and operation of the project and such insurance policy or policies shall name the Trustee as an additional insured.

(c) Rental Interruption Insurance. The City will maintain or cause to be maintained rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Leased Property as a result of any of the hazards covered by the insurance required by subsection (a) of this section in an amount not less than the greatest of the aggregate Base Rental payable by the City under this Sublease for a period of any future 24 months. Any such insurance policy shall be in form satisfactory to the Authority and shall contain a clause naming the Trustee as an additional insured and making any loss thereunder payable to the Trustee as its interests may appear. Any proceeds of such insurance shall be used by the Trustee to pay Annual Debt Service on the Outstanding Bonds for the period during which the payment of rental under the Sublease is abated, and any proceeds of such insurance not so used shall be applied as provided in the Indenture to the extent required to pay administrative costs of the Authority in connection with the Leased Property.

(d) Self-Insurance; Alternative Plan of Protection. As an alternative to providing the insurance required by paragraph (b) above, the City may provide or cause to be

provided a self-insurance method or plan of protection if and to the extent such self-insurance method or plan of protection shall afford reasonable protection to the City and the Authority, and their directors, officers, agents and employees and the Trustee, its directors, officers, agents and employees in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the City; provided that the obligation of the Authority or City to make payments under such self-insurance shall be limited to money in a designated fund balance established by the Authority or City and that the Authority or City shall not be obligated to replenish such designated fund balance from the General Fund or be otherwise obligated to make payments except from such designated fund balance. After the Commencement Date, before any substitute method or plan may be provided by the City, there shall be filed with the Trustee a certificate of an actuary, independent insurance consultant or other qualified person, stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford adequate protection to the City and the Authority, and their directors, officers, agents and employees and the Trustee and its directors, officers, agents and employees against loss and damage from the hazards and risks covered thereby; provided, however, that in the event the City provides a self-insurance method or plan of protection for the insurance required by paragraph (c) above, the designated fund balance established by the City shall be funded in an amount at least equal to the greatest of the aggregate Base Rental payable by the City under this Sublease for a period of any future 24 months.

Moreover, as an alternative to providing the insurance required by paragraph (b) above, the City may provide a self-insurance method or plan of protection through the California Insurance Pool Authority (or another insurance risk sharing pool joint powers authority formed in the State) or any successor entity as the City may reasonably determine.

(e) Evidence of Insurance. The City shall deliver to the Trustee each year a Certificate of the City stating that all requirements of this Sublease related to insurance have been complied with. Each such insurance policy shall require that the Trustee be given 30 days' notice of any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall have no responsibility as to the sufficiency of coverage or amounts of such policies. If so requested in writing by the Trustee, the City shall also deliver to the Trustee duplicate originals or certified copies of each insurance policy described in such schedule.

(f) Advances. If the City shall fail to perform any of its obligations under this Section, then the Authority may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money on behalf of the City, and the City shall be obligated to repay all such advances as soon as possible, as Additional Rental under Section 3(b).

(g) Waivers of Subrogation. Each of the parties hereby waives any and all rights to recovery against the other or against any other tenant or occupant of the Leased

Property, or against the officers, employees, agents, representatives, customers, and business visitors of such other party or of such other tenant or occupant of the Leased Property, for loss or damage to such waiving party or its property or the property of others under its control, arising from any cause insured against under the standard form of property damage insurance policy with all permissible extensions and endorsements covering extended perils or under any other policy of insurance carried by such waiving party in lieu thereof, to the extent such policies then in force permit such waiver.

SECTION 9. DAMAGE, DESTRUCTION AND CONDEMNATION; APPLICATION OF NET PROCEEDS.

If: (i) the whole, or any portion, of the Leased Property is destroyed (in whole or in part) or is damaged by fire of other casualty or taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), or (ii) the leasehold title in all or a portion of the Leased Property is materially impaired by reason of a defect in title, then

(a) the City, but only to the extent permitted by law, shall substitute other property for the portion of the Leased Property that has been destroyed, or taken, or affected by the defective title in accordance with Section 19 hereof; or

(b) the City shall require the Net Proceeds of any insurance payment (other than the Net Proceeds of rental interruption insurance which shall be applied pursuant to Section 8(c)) or any condemnation award to be held by the Trustee in a special trust fund to be applied and disbursed by the Trustee as follows:

(i) If less than all of the Leased Property shall have been so destroyed or taken or affected by defective title and the remainder is usable, then this Sublease shall continue in full force and effect as to such remainder and (A) if the portion taken or destroyed is replaced by one or more properties of equal or greater fair market value (as demonstrated by an MAI fair market appraisal), the Trustee upon written direction of the City shall disburse such proceeds to the party that incurred the expense of making such replacement and there shall not be any abatement of the Base Rental under this Sublease; or (B) failing the making of such replacement, there shall be a partial abatement of the Base Rental under this Sublease (in accordance with Section 17) and the Trustee shall apply such Net Proceeds, together with any other money then available to it for such purpose, to the Redemption Fund under the Indenture for the redemption of outstanding Bonds in accordance with Sections 4.03 and 2.03(a) of the Indenture.

(ii) If less than all of the Leased Property shall have been so destroyed or taken or affected by defective title and the remainder is not usable, or if all of the Leased Property shall have been so destroyed or taken or affected by the defective title, then the term of this Sublease shall cease as of the day that possession shall be so taken; and the Trustee shall apply such Net Proceeds, together with any other money then available to it for such purpose, to the Redemption Fund under the Indenture for the redemption of outstanding Bonds in accordance with Sections 4.03 and 2.03(a) of the Indenture.

SECTION 10. DEFAULT.

(a) If default shall be made by the City in the observance or performance of any agreement, condition, covenant or term contained herein required to be observed or performed by it (including, without limitation, the payment of any Base Rental or Additional Rental due hereunder), subject to the provisions of subsection (c) below, the Authority may at any time thereafter (with or without notice and demand and without limiting any other rights or remedies the Authority may have) recover rent and other monetary charges as they become due hereunder without terminating the City's right to possession of the Leased Property (regardless of whether or not the City has abandoned the Leased Property). Furthermore, upon the occurrence of such a default, the Authority shall have the right, and the City hereby irrevocably appoints the Authority as its agent and attorney-in-fact for such purpose, to attempt to relet the Leased Property at such rent, upon such conditions and for such term (subject to then existing Permitted Encumbrances, including but not limited to the City's right to access and exclusive right to maintain and use facilities essential to the City's utilities systems), and to do all other acts to maintain or preserve the Leased Property, including the removal of persons or property therefrom or taking possession thereof, as the Authority deems desirable or necessary. The City hereby waives any and all claims for any damages that may result to the Leased Property upon any action taken by the Authority under this Section 10(a). No action taken by the Authority under this Section 10(a) shall be deemed to terminate the Lease or the Sublease and the City shall continue to remain liable for any deficiency that may arise out of such reletting, taking into account expenses incurred by the Authority due to such reletting, payable at the same time and manner as provided for Base Rental in Section 3(a).

The Authority expressly waives the right to receive any amount from the City pursuant to Section 1951.2(a)(3) of the California Civil Code.

Each and all of the remedies given to the Authority hereunder or by any law now existing or hereafter enacted are cumulative and the exercise of any one remedy shall not impair the right of the Authority to any or all other remedies.

(b) In addition to any default resulting from breach by the City of any agreement, condition, covenant or term hereof, if –

(i) the City's interest herein or any part thereof is assigned or transferred, either voluntarily or by operation of law, except as provided in Section 16; or

(ii) the City shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the City asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension of time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the City shall make a general or any assignment for

the benefit of its creditors in connection with any proceedings related to bankruptcy, insolvency, liquidation, winding up or similar event; or

(iii) the City shall abandon the Leased Property or any portion thereof, then in each and every such case the City shall be deemed to be in default hereunder.

(c) Neither the Authority nor the City shall be in default in the performance of any of its obligations hereunder (except for the obligation of the City to pay Base Rental when due pursuant to Section 3(a)) unless and until it shall have failed to perform such obligation within 30 days after notice by the Authority or the City, as the case may be, to the other party properly specifying wherein it has failed to perform such obligation.

SECTION 11. PREPAYMENT AND CREDITS.

(a) In the event that, pursuant to Section 9, the City determines that Base Rental shall be abated and Net Proceeds from insurance or any condemnation award shall be used to redeem Bonds, the City shall provide the Authority and the Trustee an amended Exhibit B reflecting the new schedule of Base Rental payments.

(b) The City may, at its option, prepay from any source of available moneys, Base Rental then unpaid, in whole or in part, for the redemption of Bonds, which redemption date(s) shall be on or after [October 1, 2033]. In such event, the Bonds shall be redeemed pursuant to Section 2.03(b) of the Indenture. A prepayment under this Section 11(b) shall be deemed made upon the occurrence of either of the following:

(i) The City shall have deposited with the Trustee an amount equal to the sum of (A) the principal components of Base Rental being so prepaid, plus (B) the interest components with respect thereto accrued to the related redemption date(s) of the Bonds, plus (C) a premium, if any, in an amount equal to the redemption premium applicable to the Bonds being so redeemed; or

(ii) There shall have been deposited, on behalf of the Authority, with the Trustee or another fiduciary, Federal Securities in a sufficient amount to satisfy the requirements of Section 9.03 of the Indenture to discharge the Bonds to be redeemed in connection with such prepayment.

Except in the case of a prepayment of Base Rental to redeem all of the then Outstanding Bonds, a prepayment of principal components of Base Rental pursuant to this Section 11(b) shall: (1) apply only to Base Rental previously unpaid and not yet due, and (2) be applied to reduce Base Rental so that, after such prepayment (and the related redemption of Bonds), (A) each annual installment of principal components of Base Rental due hereunder shall be an integral multiple of $5,000 and (B) the principal components of Base Rental due in any year shall correspond with the principal amount of Bonds due and payable in such year.

(c) Before making any prepayment pursuant to this Section 11, the City shall give written notice to the Trustee specifying the date on which the prepayment will be made. Such notice by the City shall be given at least 45 days before the prepayment date; provided, that the Trustee may accept a shorter notice period or waive such notice requirement at the Trustee's sole discretion. The City shall have the right to rescind an optional prepayment (exercised under Section 11(b)) by written notice to the Authority and the Trustee prior to the corresponding redemption date of the Bonds, and the Trustee, upon receipt of such notice, shall promptly send notices of rescission of such optional redemption of the Bonds pursuant to Section 2.03(e) of the Indenture.

(d) In the event of a partial prepayment of Base Rental under this Section 11, the City shall provide the Trustee with an amended Exhibit B reflecting the new schedule of Base Rental payments. A prepayment made pursuant to this Section 11 shall not cause a defeasance of Bonds unless the requirements of Section 9.03 of the Indenture are satisfied.

(e) In the event of a prepayment in full of the principal component of Base Rental under this Section 11, such that this Sublease shall be terminated by its terms as provided in Section 2, all amounts then on deposit under the Indenture which are to be credited to the City's obligations to make Base Rental payments shall be credited towards the amounts then required to be so prepaid.

SECTION 12. RIGHT OF ENTRY.

The Authority and its assignees shall have the right to enter any of the Leased Property during reasonable business hours (and in emergencies at all times), subject to the City's reasonable security measures, (a) to inspect the same, (b) for any purpose connected with the City's or the Authority's rights or obligations under this Sublease, and (c) for all other lawful purposes.

SECTION 13. MECHANICS' LIENS.

In the event the City shall at any time before or during the term of this Sublease cause any improvements or other work to be done or performed or materials to be supplied, in or upon the Leased Property, the City shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the City in, upon or about the Leased Property and which may be secured by any mechanics', materialmen's or other liens against the Leased Property or the Authority's interest therein, and will cause any such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that, if the City desires to contest any such lien it may do so. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the City shall promptly pay and discharge said judgment.

SECTION 14. QUIET ENJOYMENT.

The parties hereto mutually covenant that the City, so long as it keeps and performs the covenants and agreements herein contained, shall at all times during the term of this Sublease peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Authority.

SECTION 15. INDEMNIFICATION.

The City shall, to the full extent then permitted by law, indemnify, defend, protect and hold harmless the Authority and its members, officers and employees and the Trustee and its officers, directors or employees from and against any and all liabilities, obligations, losses, claims and damages whatsoever, regardless of the cause thereof (except for any liability, obligation, loss, claim or damage arising out of the negligent or intentional act or omission of the Trustee, its officers, directors or employees), and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the entering into of this Sublease and the Indenture, or the payment of costs of (including any accident in connection with) the operation, use, condition or possession of the Leased Property or any portion thereof resulting in damage to property or injury to or death to any person. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all rent obligations hereunder or the termination hereof for any reason, and with regard to the Trustee, the resignation or removal of the Trustee. The City agrees not to withhold or abate any portion of the payments required pursuant hereto by reason of any defects, malfunctions, breakdowns or infirmities of the Leased Property. The Authority and the City mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following either's learning thereof.

SECTION 16. ASSIGNMENT TO TRUSTEE; SUBLETTING BY CITY.

(a) The parties understand that this Sublease and the rights of the Authority hereunder (except for the Authority's rights with respect to approvals or consents hereunder, and indemnification and payment or reimbursement for any costs or expenses of the Authority hereunder) will be assigned to the Trustee pursuant to the Assignment Agreement and the Indenture, and accordingly, the City agrees to make all Rental Payments due to the Authority hereunder directly to the Trustee, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach hereof or otherwise) that the City may have from time to time against the Authority, except as provided in Section 17.

(b) Neither this Sublease nor any interest of the City hereunder shall be mortgaged, pledged, assigned or transferred by the City by voluntary act or by operation of law or otherwise; provided, subject to Section 18, that the City may sublease all or any portion of the Leased Property, and may grant concessions to others involving the use of any portion of the Leased Property, whether such concessions purport to convey a leasehold interest or a license to use a portion of the Leased Property. The City shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Sublease,

notwithstanding any subletting or granting of concessions which may be made. Nothing contained herein shall be construed to relieve the City from its obligation to pay Base Rental and Additional Rental as provided in this Sublease or to relieve the City from any other obligations contained herein.

(c) Without limiting the foregoing, to the extent that this Sublease or the Assignment Agreement confer upon or grants the Trustee any right, remedy or claim under or by reason of this Sublease, the Trustee is hereby further recognized as being a third party beneficiary hereunder and may enforce such right, remedy or claim conferred, given or granted hereunder.

SECTION 17. ABATEMENT OF RENTAL.

(a) The obligation of the City to pay Base Rental and Additional Rental shall be abated during any period in which, by reason of any damage, destruction, condemnation or impairment of leasehold interest, there is substantial interference with the use and occupancy of the Leased Property or any portion thereof by the City. Such abatement shall be in an amount agreed upon by the City and the Authority such that the resulting Base Rental in any year during which such interference continues does not exceed the fair rental value of the portions of the Leased Property as to which such damage, destruction, taking or impairment do not substantially interfere with the City's use and right of possession. Such abatement shall continue for the period commencing with the date of such interference and ending with the restoration of the relevant Leased Property to tenantable condition. For clarification purposes, to the extent that any Base Rental is to be paid or prepaid from insurance or condemnation proceeds deposited with the Trustee pursuant to Section 8(c) of this Sublease, such Base Rental shall not be reduced or abated pursuant to this Section.

(b) Upon the cessation of the occurrence of any abatement event during the term of this Sublease, the City and the Authority shall, in good faith, determine the current fair rental value of the Leased Property. If such fair rental value is greater than the fair rental value of the Leased Property determined under Section 3 as of the Commencement Date, the Base Rental shall be increased by the lesser of (i) such incremental value or (ii) the amount needed to recoup all amounts abated during the remaining term of this Sublease.

(c) Except as set forth herein, in the event of any damage, destruction of condemnation, this Sublease shall continue in full force and effect and the City hereby waives any right to terminate this Sublease by virtue of such damage, destruction or condemnation. The City further waives the benefit of Sections 1932(1), 1932(2), 1933(4), 1941 and 1942 of the California Civil Code.

SECTION 18. ADDITIONAL COVENANTS REGARDING TAX-EXEMPT BONDS.

The City covenants that during the term of this Sublease it shall not use or permit the use of the Leased Property or any proceeds of the Bonds, directly or indirectly, in any manner, and shall not take or omit to take any action, that would cause any of the Bonds to be treated

as an obligation not described in Section 103(a) of the Code. The City shall comply with the provisions of the Tax Certificate, which is incorporated in this Sublease.

SECTION 19. SUBSTITUTION OR RELEASE OF PROPERTY.

(a) Notwithstanding anything herein to the contrary, the Leased Property may be substituted, in whole or in part, by other properties, or a portion of the Leased Property may be released from this Sublease, at the option of the City; provided, that the following conditions shall have been satisfied:

(i) such substitution or release does not, in the opinion of Bond Counsel, adversely affect the Tax-Exempt status of the Bonds;

(ii) The City shall have provided certification to the Authority and the Trustee that the fair market value of the Leased Property, after the proposed substitution or release, shall be equal to or greater than the aggregate amount of the principal component of the Base Rental (*i.e.,* the principal amount of the Outstanding Bonds);

(iii) the City certifies to the Authority and the Trustee that, based on the City's determination, the annual fair rental value of the Leased Property, after such substitution or release, is at least equal to the maximum annual Base Rental remaining unpaid under the terms of this Sublease, and the expected useful life of the Leased Property, after such substitution or release, extends at least to the Expiration Date;

(iv) Except as provided in Section 19(b), the City shall notify the rating agency (or agencies) then rating the Bonds regarding such substitution or release;

(v) in the event that the substituted property consists in whole or in part of real property, a California Land Title Association insurance policy (or, at the City's sole discretion, an American Land Title Association insurance policy) on the substituted real property has been obtained, along with evidence that, other than Permitted Encumbrances, no prior liens exist as to the substituted property;

(vi) the City shall provide to the Authority and the Trustee evidence that any existing title insurance with respect to the portion of the Leased Property remaining after such substitution or release is not affected; and

(vii) the parties hereto shall amend this Sublease to properly reflect such substitution or release.

(b) In addition to the release and substitution of property pursuant to Section 19 hereof, upon completion of the Multigenerational Recreation Center Project, the portions of the Leased Property other than the Multigenerational Recreation Center Project and the related real property upon which the Multigenerational Recreation Center Project is located (all as described in Exhibit A to this Sublease) may be released from the Lease and this Sublease; provided, however, that no such release shall occur until there is delivered to the Trustee a

Written Certificate of the City that the conditions set forth in Section 19 have been satisfied and that the City has received a certificate of occupancy for, and has beneficial use and occupancy of, the Multigenerational Recreation Center Project.

SECTION 20. WAIVER.

Failure of the Authority to take advantage of any default on the part of the City shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may be established between the parties in the course of administering this Sublease be construed to waive or to lessen the right of the Authority to insist upon performance by the City of any term, covenant or condition hereof, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Sublease.

SECTION 21. NET LEASE.

Subject to the provisions of Section 17 ("Abatement of Rental"), this Sublease shall be deemed and construed to be a "Triple Net Lease" and the City hereby agrees that rental provided for herein shall be an absolute net return to the Authority, free and clear of any expenses, charges or setoffs whatsoever.

SECTION 22. AMENDMENTS.

This Sublease may only be amended to the extent permitted by Section 5.07 of the Indenture.

SECTION 23. GOVERNING LAW.

This Sublease shall be governed exclusively by the provisions hereof and by the laws of the State of California.

SECTION 24. NOTICES.

Any notice, request, demand, or other communication under this Sublease shall be governed by Section 9.14 of the Indenture, which is hereby incorporated.

SECTION 25. VALIDITY AND SEVERABILITY.

If for any reason this Sublease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Authority or by the City, or if for any reason it is held by such a court that any of the covenants of the City hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this Sublease is and shall be deemed to be a lease from year to year under which the rentals are to be paid by the City monthly in consideration of the right of the City to possess, occupy and use the Leased Property, and all of the rental and other terms, provisions and conditions of this

Sublease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 26. SECTION HEADINGS.

All section headings contained are for convenience of reference only and are not intended to define or limit the scope of any provision of this Sublease.

[Remainder of this page intentionally left blank.]

SECTION 27. EXECUTION; RECORDATION.

This Sublease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the City have caused this Sublease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By:_____
Joe Irvin, Executive Director

ATTEST:

_____
Susan Blankenship, Secretary

CITY OF SOUTH LAKE TAHOE

By:_____
Cody Bass, Mayor Pro Tem

ATTEST:

_____
Susan Blankenship, City Clerk

EXHIBIT A

Description of Leased Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SOUTH LAKE TAHOE, COUNTY OF EL DORADO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS, TOGETHER WITH IMPROVEMENTS THEREON:

PARCEL 1 - 1352 Johnson Boulevard - Police Station: (APN: 025-010-021-100)

All that portion of Section 3, Township 12 North, Range 18 East, M.D.M., more particularly described as follows:

Beginning at the corner common to Lots 1, 2 and 14 of said Section 3; thence along the lot line common to Lot 2 and Lot 14 South 89°26'11" West, 695.04 feet to a point of cap at a non-tangent curve from which the center bears South 30°11'22" West, 640.00 feet; thence Southeasterly along said curve through a central angle of 25°42'14" an arc distance 287.12 feet; thence tangent to said curve South 34°06'24" East, 108.00 feet; thence North 89°26'11" East, 617.42 feet; thence North 18°37'15" East, 303.22 feet to a point on the lot line common to Lot 1 and Lot 14; thence South 89°26'11" West, 287.86 feet to the point of beginning.

PARCEL 2 - 1201 Al Tahoe - Bijou Park: (APNs: 025-010-051, 025-041-009)

All that certain real property situate in Section 3, Township 12 North, Range 18 East, Mount Diablo Meridian, City of South Lake Tahoe, County of El Dorado, State of California, and being a portion of Government Lots 13 and 14 as shown on the Official Government Plat of Township 12 North, Range 18 East, Mount Diablo Meridian approved in 1866 and being further described as being a portion of the lands shown and delineated on that certain Record of Survey filed in Book 11 of surveys at Pages 52 thru 52C of the Official Records of El Dorado County, California, and being more particularly described as follows:

Beginning at a 3" Brass Disk stamped "RCE 5438" marking the Northeast Corner of Lot 14, as shown on said Record of Survey;

Thence from said Point of Beginning, along the north line of said Lot 14, South 89°23'26" West a distance of 377.01 feet;

Thence leaving said north line, South 00°24'15" East a distance of 715.00 feet;

Thence South 89°23'26" West a distance of 871.37 feet to a point of non-tangent curvature situate on the easterly right of way of Johnson Boulevard;

Thence along said right of way, from a radial line which bears South 50°44'21" East, southwesterly 75.27 feet along the arc of a 260.00 foot radius curve to the right, through a central angle of 16°35'12";

Thence continuing along said right of way, South 55°50'51" West a distance of 92.55 feet to a point of curvature;

Thence continuing along said right of way and the northeasterly right of way of Al Tahoe Boulevard, 39.27 feet along the arc of a 25.00 foot radius tangent curve to the left, through a central angle of 90°00'00";

Thence along said northeasterly right of way of Al Tahoe Boulevard, the following four (4) courses, distances and arcs:

1. South 34°09'09" East, 890.10 feet to a point of curvature;

2. Southeasterly 224.70 feet along the arc of a 1960.00 foot radius tangent curve to the left, through a central angle of 6°34'07";

3. South 40°43'16" East, 577.64 feet;

4. South 57°10'46" East, 140.80 feet;

Thence leaving said right of way, North 78°42'18" East a distance of 252.52 feet, more or less, to a point situate on the East line of aforementioned Section 3;

Thence along said Section Line, North 00°04'21" East a distance of 2245.13 feet to the Point of Beginning.

<u>PARCEL 3 - 1176 Rufus Allen – Ice Arena:</u> (Portions of APN 026-050-004-000 (old) 026-050-009 and 026-050-010 (new) and 026-050-005-000 (old) 026-050-007 and 026-050-009 (new)

All that certain real property situate in Lot 1 of Section 32, Township 13 North, Range 18 East, Mount Diablo Meridian, County of El Dorado, City of South Lake Tahoe, State of California, and being a portion of Tract A as said Tract shown and delineated on that certain Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder and being more particularly described as follows:

Commencing at the Southeast Corner of said Section 32:

Thence from said Point of Commencement, along the Easterly line of said Section 32, North 00°20'03" West a distance of 780.10 feet;

Thence leaving said Easterly Section Line, North 88°56'42" West a distance of 60.02 feet to the True Point of Beginning:

Thence, from said True Point of Beginning, leaving the aforementioned proposed westerly Right-of-Way line, North 88°56'42" West a distance of 576.88 feet;

Thence South 01'36'54" West a distance of 311.27 feet;

Thence South 89°02'41" East a distance of 97.32 feet;

Thence South 00°20'03" East a distance 42.68 feet;

Thence North 88°44'16" East a distance of 486.53 feet to a point of non-tangent curvature;

Thence from a radial line which bears South 83°56'49" East, northerly 65.77 feet along the arc of a 590.00 foot radius non-tangent curve to the left through a central angle of 06°23'14";

Thence North 00°20'03" West a distance of 289.90 feet to the Point of Beginning;

EXCEPTING THEREFROM the following parcel of land presently vested in the County of El Dorado:

Commencing at the 1-1/2 inch capped iron pipe stamped "LS 2403" set in a fence line on the West side of Rufus Allen Boulevard, and from which the Southeast corner of said Section 32, a brass capped 2 inch iron pipe stamped Section 32 and B.L.M., bears South 7° 07' East 547.63 feet distant; thence South 0° 49' East 60.92 feet to the Southwest corner, a point on the West side of Rufus Allen Boulevard; thence South 85° 58' West 240.00 feet to the Southwest corner; thence North 0° 50' West 207.59 feet to the Northeast corner, a point; thence South 87° 48' East 240.00 feet to the Northeast corner, a 1 inch capped iron pipe stamped "LS 2403 1972" set on the West side of Rufus Allen Boulevard; thence along the West side of Rufus Allen Boulevard South 0° 49' East 120.58 feet to the point of commencement.

Said land also being known as “Remaining Parcel 1” pursuant to that certain Certificate of Parcel Map Waiver recorded August 24, 2022 as Document No. 2022-0034734, of Official Records.

PARCEL 4 - 1150 Rufus Allen - Multigenerational Recreation Center: (Portions of APN 026-050-004-000 (old) 026-050-009 and 026-050-010 (new) and 026-050-005-000 (old) 026-050-007 and 026-050-009 (new)

All that certain real property situate in Lot 1 of Section 32, Township 13 North, Range 18 East, Mount Diablo Meridian, County of El Dorado, City of South Lake Tahoe, State of California, and being a portion of Tract A as said Tract shown and delineated on that certain Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder and being more particularly described as follows:

Commencing at the Southeast Corner of said Section 32:

Thence from said Point of Commencement, along the Easterly line of said Section 32, North 00°20'03" West a distance of 1321.81 feet;

Thence continuing along said Easterly Section Line, North 00°15'50" West a distance of 775.91 feet to a point situate on the southerly Right-of-Way line of U.S. 50;

Thence leaving said Section Line, along the aforementioned southerly Right-of-Way line, South 73°47'02" West a distance of 314.14 feet to the True Point of Beginning:

Thence from said True Point of Beginning, continuing along said southerly Right-of-Way line of U.S. Highway 50, South 73°47'02" West a distance of 210.75 feet to a point of curvature;

Thence continuing along said southerly Right-of-Way line, southerly end westerly 572.08 feet along the arc of a 990.00 foot radius tangent curve to the left through a central angle of 33°06'32";

Thence leaving said southerly Right-of-Way line, South 34°27' 10" East a distance of 514.27 feet to a point situate on the northerly line of a proposed 60.00 foot Right-of-Way as yet unnamed;

Thence along the said northerly proposed unnamed Right-of-Way line, South 88°31'49" East a distance of 631.90 feet to a point on the proposed westerly Right-of-Way line of Rufus Allen Boulevard,

Thence leaving the said northerly proposed unnamed Right-of-Way line and proceeding along said proposed westerly Right-of-Way line of Rufus Allen Boulevard, North 00°20'03" West a distance of 116.04 feet;

Thence continuing along said proposed westerly Right-of-Way line, North 00° 15' 50" West a distance of 140.25 feet;

Thence leaving said proposed westerly Right-of-Way line, North 89° 54' 15" West a distance of 245.35 feet; Thence North 00°04'52" East a distance of 547.79 feet to the Point of Beginning.

Said land also being known as “Remaining City Lands Proposed City Parcel 3” pursuant to that certain Certificate of Parcel Map Waiver recorded August 24, 2022 as Document No. 2022-0034734, of Official Records.

EXHIBIT B

Base Rental Payment Schedule

Payment Date*	Principal Component	Interest Component	Total
TOTAL			

* Payable five days before each payment date.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

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

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

WITNESS my hand and official seal.

Signature_____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

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

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

WITNESS my hand and official seal.

Signature_____ (Seal)

Recording requested by and when recorded mail to:

City of South Lake Tahoe
c/o Richards, Watson & Gershon,
A Professional Corporation
350 South Grand Avenue, 37th Floor
Los Angeles, California 90071
Attention: Lolly Enriquez, Esq.

This Document is recorded for the benefit of the City of South Lake Tahoe and is exempt from California documentary transfer tax pursuant to Section 11928 of the California Revenue and Taxation Code and from recording fees pursuant to Sections 6103, 27383 and 27388.1 of the California Government Code.

==========

ASSIGNMENT AGREEMENT

by and between the

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

as Trustee

Dated as of August 1, 2023

==========

ASSIGNMENT AGREEMENT

This Assignment Agreement (this "Agreement"), dated as of August 1, 2023, is made by and between the SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY, a joint powers agency duly organized and existing pursuant to the laws of the State of California (the "Authority"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, duly organized and existing under and by virtue of the laws of the United States of America, as Trustee (the "Trustee").

RECITALS:

A. The Authority is issuing its $[principal amount] in aggregate principal amount of its Lease Revenue Bonds, 2023 Series A (the "Bonds") pursuant to an Indenture, dated as of August 1, 2023 (the "Indenture"), by and between the Authority and the Trustee.

B. In connection with the Bonds, the Authority and the City of South Lake Tahoe, California (the "City"), are entering into a Lease Agreement, dated as of August 1, 2023 (the "Lease"), whereby the City leases to the Authority leases certain real property, including improvements thereon, described in Exhibit A, attached hereto and incorporated by reference, and improvements thereon (collectively, the "Leased Property").

C. The Authority and the City are also entering into a Sublease, dated as of August 1, 2023 (the "Sublease"), whereby the Authority subleases to the City the Leased Property.

D. Pursuant to the Sublease, the City is obligated to make certain rental payments to the Authority for the subleasing of the Leased Property.

E. The Authority desires to assign to the Trustee, without recourse, all of the Authority's rights to receive "Base Rental" payments scheduled or required to be paid by the City under and pursuant to the Sublease.

F. The Authority has determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

Section 1. Definitions.

Unless context clearly requires otherwise, all capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

Section 2. Assignment.

The Authority hereby transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the right, title and interest of the Authority in (but not of its obligations under) the Lease and the Sublease (except the Authority's rights to give approvals and consents under the Lease and the Sublease and to indemnification and payment or reimbursement for any costs or expenses thereunder), including the Authority's rights to receive the Base Rental Payments scheduled to be paid by the City under and pursuant to the Sublease, and any and all of the other rights of the Authority under the Lease and the Sublease as may be necessary to enforce payment of such Base Rental Payments when due or otherwise to protect the interest of the Owners of the Bonds.

Section 3. Acceptance.

The Trustee hereby accepts the foregoing assignment for the benefit of the Bond Owners, subject to the conditions and terms of the Indenture, and all such Base Rental Payments shall be applied and all such rights so assigned shall be exercised by the Trustee under and pursuant to the Indenture. Excepting only the assignment and transfer of rights to the Trustee pursuant to Section 2 hereof, this Agreement shall confer no rights and shall impose no obligations upon the Trustee beyond those expressly provided in the Indenture. In executing and performing under this Agreement, the Trustee shall be entitled to all of the rights, protections, immunities and indemnities granted to it under the Indenture.

Section 4. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(b) This Agreement shall be binding on and inure to the benefit of the parties hereto, and their successors and assigns.

(c) This Agreement may be executed in counterparts, and all such executed counterparts shall constitute the same instrument. It shall be necessary to account for only one set of such counterparts in proving this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Agreement by their authorized signatories thereunto duly authorized as of the day and year first above written.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By:_____
Joe Irvin
Executive Director

ATTEST:

_____
Susan Blankenship, Secretary

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By:_____

Name: _____

Title: _____

EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SOUTH LAKE TAHOE, COUNTY OF EL DORADO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS, TOGETHER WITH IMPROVEMENTS THEREON:

PARCEL 1 - 1352 Johnson Boulevard - Police Station: (APN: 025-010-021-100)

All that portion of Section 3, Township 12 North, Range 18 East, M.D.M., more particularly described as follows:

Beginning at the corner common to Lots 1, 2 and 14 of said Section 3; thence along the lot line common to Lot 2 and Lot 14 South 89°26’11” West, 695.04 feet to a point of cap at a non-tangent curve from which the center bears South 30°11’22” West, 640.00 feet; thence Southeasterly along said curve through a central angle of 25°42’14” an arc distance 287.12 feet; thence tangent to said curve South 34°06’24” East, 108.00 feet; thence North 89°26’11” East, 617.42 feet; thence North 18°37’15” East, 303.22 feet to a point on the lot line common to Lot 1 and Lot 14; thence South 89°26’11” West, 287.86 feet to the point of beginning.

PARCEL 2 - 1201 Al Tahoe - Bijou Park: (APNs: 025-010-051, 025-041-009)

All that certain real property situate in Section 3, Township 12 North, Range 18 East, Mount Diablo Meridian, City of South Lake Tahoe, County of El Dorado, State of California, and being a portion of Government Lots 13 and 14 as shown on the Official Government Plat of Township 12 North, Range 18 East, Mount Diablo Meridian approved in 1866 and being further described as being a portion of the lands shown and delineated on that certain Record of Survey filed in Book 11 of surveys at Pages 52 thru 52C of the Official Records of El Dorado County, California, and being more particularly described as follows:

Beginning at a 3" Brass Disk stamped "RCE 5438" marking the Northeast Corner of Lot 14, as shown on said Record of Survey;

Thence from said Point of Beginning, along the north line of said Lot 14, South 89°23'26" West a distance of 377.01 feet;

Thence leaving said north line, South 00°24'15" East a distance of 715.00 feet;

Thence South 89°23'26" West a distance of 871.37 feet to a point of non-tangent curvature situate on the easterly right of way of Johnson Boulevard;

Thence along said right of way, from a radial line which bears South 50°44'21" East, southwesterly 75.27 feet along the arc of a 260.00 foot radius curve to the right, through a central angle of 16°35'12";

Thence continuing along said right of way, South 55°50'51" West a distance of 92.55 feet to a point of curvature;

Thence continuing along said right of way and the northeasterly right of way of Al Tahoe Boulevard, 39.27 feet along the arc of a 25.00 foot radius tangent curve to the left, through a central angle of 90°00'00";

Thence along said northeasterly right of way of Al Tahoe Boulevard, the following four (4) courses, distances and arcs:

1. South 34°09'09" East, 890.10 feet to a point of curvature;

2. Southeasterly 224.70 feet along the arc of a 1960.00 foot radius tangent curve to the left, through a central angle of 6°34'07";

3. South 40°43'16" East, 577.64 feet;

4. South 57°10'46" East, 140.80 feet;

Thence leaving said right of way, North 78°42'18" East a distance of 252.52 feet, more or less, to a point situate on the East line of aforementioned Section 3;

Thence along said Section Line, North 00°04'21" East a distance of 2245.13 feet to the Point of Beginning.

PARCEL 3 - 1176 Rufus Allen – Ice Arena: (Portions of APN 026-050-004-000 (old) 026-050-009 and 026-050-010 (new) and 026-050-005-000 (old) 026-050-007 and 026-050-009 (new)

All that certain real property situate in Lot 1 of Section 32, Township 13 North, Range 18 East, Mount Diablo Meridian, County of El Dorado, City of South Lake Tahoe, State of California, and being a portion of Tract A as said Tract shown and delineated on that certain Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder and being more particularly described as follows:

Commencing at the Southeast Corner of said Section 32:

Thence from said Point of Commencement, along the Easterly line of said Section 32, North 00°20'03" West a distance of 780.10 feet;

Thence leaving said Easterly Section Line, North 88°56'42" West a distance of 60.02 feet to the True Point of Beginning:

Thence, from said True Point of Beginning, leaving the aforementioned proposed westerly Right-of-Way line, North 88°56'42" West a distance of 576.88 feet;

Thence South 01'36'54" West a distance of 311.27 feet;

Thence South 89°02'41" East a distance of 97.32 feet;

Thence South 00°20'03" East a distance 42.68 feet;

Thence North 88°44'16" East a distance of 486.53 feet to a point of non-tangent curvature;

Thence from a radial line which bears South 83°56'49" East, northerly 65.77 feet along the arc of a 590.00 foot radius non-tangent curve to the left through a central angle of 06°23'14";

Thence North 00°20'03" West a distance of 289.90 feet to the Point of Beginning;

EXCEPTING THEREFROM the following parcel of land presently vested in the County of El Dorado:

Commencing at the 1-1/2 inch capped iron pipe stamped "LS 2403" set in a fence line on the West side of Rufus Allen Boulevard, and from which the Southeast corner of said Section 32, a brass capped 2 inch iron pipe stamped Section 32 and B.L.M., bears South 7° 07' East 547.63 feet distant; thence South 0° 49' East 60.92 feet to the Southwest corner, a point on the West side of Rufus Allen Boulevard; thence South 85° 58' West 240.00 feet to the Southwest corner; thence North 0° 50' West 207.59 feet to the Northeast corner, a point; thence South 87° 48' East 240.00 feet to the Northeast corner, a 1 inch capped iron pipe stamped "LS 2403 1972" set on the West side of Rufus Allen Boulevard; thence along the West side of Rufus Allen Boulevard South 0° 49' East 120.58 feet to the point of commencement.

Said land also being known as “Remaining Parcel 1” pursuant to that certain Certificate of Parcel Map Waiver recorded August 24, 2022 as Document No. 2022-0034734, of Official Records.

<u>PARCEL 4 - 1150 Rufus Allen - Multigenerational Recreation Center:</u> (Portions of APN 026-050-004-000 (old) 026-050-009 and 026-050-010 (new) and 026-050-005-000 (old) 026-050-007 and 026-050-009 (new)

All that certain real property situate in Lot 1 of Section 32, Township 13 North, Range 18 East, Mount Diablo Meridian, County of El Dorado, City of South Lake Tahoe, State of California, and being a portion of Tract A as said Tract shown and delineated on that certain Record of Survey filed for record on November 16, 1988 in Book 16 of Records of Surveys at Page 30 in the office of the El Dorado County Recorder and being more particularly described as follows:

Commencing at the Southeast Corner of said Section 32:

Thence from said Point of Commencement, along the Easterly line of said Section 32, North 00°20'03" West a distance of 1321.81 feet;

Thence continuing along said Easterly Section Line, North 00°15'50" West a distance of 775.91 feet to a point situate on the southerly Right-of-Way line of U.S. 50;

Thence leaving said Section Line, along the aforementioned southerly Right-of-Way line, South 73°47'02" West a distance of 314.14 feet to the True Point of Beginning:

Thence from said True Point of Beginning, continuing along said southerly Right-of-Way line of U.S. Highway 50, South 73°47'02" West a distance of 210.75 feet to a point of curvature;

Thence continuing along said southerly Right-of-Way line, southerly end westerly 572.08 feet along the arc of a 990.00 foot radius tangent curve to the left through a central angle of 33°06'32";

Thence leaving said southerly Right-of-Way line, South 34°27' 10" East a distance of 514.27 feet to a point situate on the northerly line of a proposed 60.00 foot Right-of-Way as yet unnamed;

Thence along the said northerly proposed unnamed Right-of-Way line, South 88°31'49" East a distance of 631.90 feet to a point on the proposed westerly Right-of-Way line of Rufus Allen Boulevard,

Thence leaving the said northerly proposed unnamed Right-of-Way line and proceeding along said proposed westerly Right-of-Way line of Rufus Allen Boulevard, North 00°20'03" West a distance of 116.04 feet;

Thence continuing along said proposed westerly Right-of-Way line, North 00° 15' 50" West a distance of 140.25 feet;

Thence leaving said proposed westerly Right-of-Way line, North 89° 54' 15" West a distance of 245.35 feet; Thence North 00°04'52" East a distance of 547.79 feet to the Point of Beginning.

Said land also being known as “Remaining City Lands Proposed City Parcel 3” pursuant to that certain Certificate of Parcel Map Waiver recorded August 24, 2022 as Document No. 2022-0034734, of Official Records.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

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

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

WITNESS my hand and official seal.

Signature_____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

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

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

WITNESS my hand and official seal.

Signature_____ (Seal)

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, 2023 Series A

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the City of South Lake Tahoe (the "City") in connection with the issuance by the Authority of the bonds captioned above (the "Bonds"). The Bonds are being issued under an Indenture of Trust dated as of August 1, 2023 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means June 1 of each year.

"*Dissemination Agent*" means the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement, executed by the City and the Authority in connection with the issuance of the Bonds.

"*Participating Underwriter*" means Stifel Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing June 30, 2024, with the report for Fiscal Year 2022-23 (which ends on September 30, 2022), provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The City shall provide a written certificate with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements of the City prepared in accordance with Generally Accepted Accounting Principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the City for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) Principal amount of Bonds outstanding.

(ii) Balance in each fund under the Indenture as of August 2 preceding the filing of the Annual Report.

(iii) General fund statement of General Fund revenues and expenditures and Balance Sheet for the most recent fiscal year in substantially the form of Table 10 and Table 11.

(iv) General fund budgeted revenues, sources and uses of funds in substantially the form of Table 1.

(v) General fund revenues by source in substantially the form of Table 2.

(vi) Assessed valuation of property in the City in substantially the form of Table 7.

(vii) Principal secured taxpayers in substantially the form of Table 8.

(ix) Actual Transient Occupancy Tax revenues received in the most recently ended fiscal year, in substantially the form of Table 3.

(x) Top ten Transient Occupancy Tax generators, in substantially the form of Table 4.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with

respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material (for definition of "financial obligation," see clause (f)).

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties (for definition of "financial obligation," see clause (f)).

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For the purposes of the event identified in (a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(e) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(f) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond owners or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Section 15. Governing Law. This Disclosure Certificate shall be governed by the laws of the state of California.

Date: _____, 2023

CITY OF SOUTH LAKE TAHOE

By_____
Name:_____
Title:_____

AGREED AND ACCEPTED:

The Bank of New York Mellon Trust
Company, N.A., as Dissemination Agent

By: _____

Name: _____

Title: _____

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances will this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor will there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful.

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST __, 2023

NEW ISSUE - FULL BOOK-ENTRY **RATING: S&P: "AA"**
See "RATING"

In the opinion of Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the 2023A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax, and (ii) interest on the Bonds is exempt from State of California personal income taxes. Interest on the Bonds may be subject to certain federal income taxes imposed only on certain corporations. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

$_____*
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, 2023 Series A

Dated: Date of Delivery **Due: October 1, as shown on inside cover**

Authority for Issuance. The bonds captioned above (the "**Bonds**") are being issued by the South Tahoe Joint Powers Financing Authority (the "**Authority**") pursuant to an Indenture of Trust dated as of August 1, 2023 (the "**Indenture**") by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**") and a resolution adopted by the Board of Directors of the Authority. See "THE BONDS – Authority for Issuance."

Use of Proceeds. The Bonds are being issued to finance the construction of a recreation and community center, and pay issuance costs. See "FINANCING PLAN."

Security for the Bonds. Under the Indenture, the Bonds are payable from and secured by a first pledge of and lien on revenues ("**Revenues**") (as defined in this Official Statement) received by the Authority under a Sublease, dated as of August 1, 2023, by and between the Authority, as lessor, and the City, as lessee (the "**Sublease**"), consisting primarily of semi-annual lease payments (the "**Base Rental**") made by the City under the Sublease with respect to the lease of certain real property, as further described in this Official Statement. The Bonds are also secured by certain funds on deposit under the Indenture. See "SECURITY FOR THE BONDS."

Bond Terms; Book-Entry Only. The Bonds will bear interest at the rates shown on the inside cover page, payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2024, and will be issued in fully registered form without coupons in the denomination of $5,000 or any integral multiple of $5,000. The Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"). Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Payments of the principal of, premium, if any, and interest on the Bonds will be made to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS – General Provisions."

Bond Insurance For; Reserve Account Surety. The Authority has applied for municipal bond insurance; a determination regarding the use of bond insurance will be made at the time of pricing of the Bonds. If bond insurance is purchased, the Authority may also purchase a reserve account surety policy.

Redemption. The Bonds are subject to redemption prior to maturity. See "THE BONDS – Redemption."

NEITHER THE BONDS, NOR THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL OF OR INTEREST THEREON, NOR THE OBLIGATION OF THE CITY TO MAKE THE BASE RENTAL PAYMENTS, CONSTITUTE A DEBT OR A LIABILITY OF THE AUTHORITY, THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY. THE BONDS ARE SECURED SOLELY BY THE PLEDGE OF REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE TAXING POWER OF THE CITY.

MATURITY SCHEDULE
(see inside cover)

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE OF BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE PURCHASE OF THE BONDS.

The Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval as to their legality by Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, as Bond Counsel. Certain legal matters will also be passed upon for the Authority and the City by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel. Certain legal matters will be passed upon for the City by the City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Quint & Thimmig LLP, Larkspur, California. It is anticipated that the Bonds will be delivered in book-entry form through the facilities of DTC on or about August __, 2023.

[Stifel logo]

The date of this Official Statement is: _____, 2023.

* *Preliminary; subject to change.*

MATURITY SCHEDULE

$_____ Serial Bonds
(Base CUSIP†: _____)

Maturity (October 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$_____ ____% Term Bonds due October 1, 20___; Price: _____%; Yield: _____;
CUSIP†: _____

_____
* Preliminary, subject to change.
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright (c) 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Authority, the City, the Underwriter or their agents or counsel take any responsibility for the accuracy of such numbers.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
South Lake Tahoe, California

AUTHORITY BOARD / CITY COUNCIL

Cristi Creegan, *Chair/Mayor*
Cody Bass, *Vice Chair/ Mayor Pro-Tem*
John Friedrich, *Authority Member/Councilmember*
Scott Robbins, *Authority Member/Councilmember*
Tamara Wallace, *Authority Member/Councilmember*

CITY / AUTHORITY STAFF

Joe Irvin, *City Manager/Executive Director*
David Olivo, *City Treasurer*
Olga Tikhomirova, *Finance Director/Authority Treasurer*
Susan Blankenship, *City Clerk/Secretary*
Heather Stroud, *City Attorney/Authority Counsel*

PROFESSIONAL SERVICES

Bond Counsel
Richards, Watson & Gershon, A Professional Corporation
Los Angeles, California

Disclosure Counsel
Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor
PFM Financial Advisors LLC
San Francisco, California

Trustee
The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties described in this Official Statement, or in the condition of the security for the Bonds since the date of this Official Statement.

This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds. Prospective investors should not construe the contents of this Official Statement as legal, tax or investment advice.

The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has submitted the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the forecasts of the City in any way, regardless of the level of optimism communicated in the information. The City is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites and any links contained within those websites are not incorporated herein by reference and do not constitute part of this Official Statement.

TABLE OF CONTENTS

INTRODUCTION 1
FINANCING PLAN 3
The Project 3
2% TOT (Measure P) Funding Source 4
Estimated Sources and Uses 5
THE LEASED PROPERTY 6
General 6
Changes to Leased Property 6
Substitution or Release of Property 6
DEBT SERVICE SCHEDULE 8
THE BONDS 9
Authority for Issuance 9
General Provisions 9
Transfer, Registration and Exchange 10
Redemption 10
Book-Entry Only System 13
SECURITY FOR THE BONDS 13
Revenues; Pledge of Revenues 13
Allocation of Revenues by Trustee; Application of Funds 14
Base Rental 15
Additional Rental 15
Fair Rental Value 16
Limited Obligation 16
Source of Payments; Covenant to Appropriate Funds for Base Rental 16
Abatement 17
Additional Obligations 17
Default; Remedies 18
Covenants to Maintain Insurance 19
Damage, Destruction and Condemnation; Net Proceeds 21
THE AUTHORITY 22
THE CITY 22
General 22
City Government 22
Labor Relations 24
CITY FINANCIAL INFORMATION 24
Accounting and Financial Reporting 24
COVID-19 Pandemic 25
General Fund, the Budget Process and Information 26
Transient Occupancy Tax 29
Sales and Use Taxes 32
Property Taxes 34
Other Sources of Revenues 39
Financial Statements 39
General Fund Historical Financial Data 40
Relevant Fiscal Policies 41
Employee Retirement System; CalPERS 43
General Fund Long-Term Obligations 46
OVERLAPPING DEBT OF THE CITY 47
Direct and Overlapping Bonded Debt 47
CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS 48
Article XIIIA of the State Constitution 48
Article XIIIB of the State Constitution 48
Articles XIIIC and XIIID of the State Constitution. 49
Proposition 1A; Proposition 22 50
Unitary Property 51
Possible Future Initiatives 51
BOND OWNERS' RISKS 51
No Pledge of Taxes 51
Abatement 52
Limited Recourse under Sublease 53
Limitations on Remedies for Bondholders 53
Additional Obligations of the City 54
Transient Occupancy Taxes 54
Sales Taxes 55
Property Taxes 55
Natural Calamities 56
Public Health Emergencies 58
Cyber Security 58
Secondary Market for Bonds 58
TAX MATTERS 58
CERTAIN LEGAL MATTERS 61
LITIGATION 61
RATING 61
CONTINUING DISCLOSURE 62
MUNICIPAL ADVISOR 62
UNDERWRITING 62
EXECUTION 63

APPENDIX A: AUDITED FINANCIAL STATEMENTS OF THE CITY FOR FISCAL YEAR ENDED SEPTEMBER 30, 2022
APPENDIX B: GENERAL INFORMATION ABOUT THE CITY OF SOUTH LAKE TAHOE AND THE COUNTY OF EL DORADO
APPENDIX C: SUMMARY OF PRINCIPAL LEGAL DOCUMENTS
APPENDIX D: FORM OF CONTINUING DISCLOSURE CERTIFICATE
APPENDIX E: FORM OF OPINION OF BOND COUNSEL
APPENDIX F: DTC AND THE BOOK-ENTRY ONLY SYSTEM

OFFICIAL STATEMENT

$_____*
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, 2023 Series A

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used but not defined in this Official Statement have the meanings set forth in the Indenture (as defined below). See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

Authority for Issuance. The South Tahoe Joint Powers Financing Authority (the "**Authority**") is issuing the bonds captioned above (the "**Bonds**") under the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the California Government Code (the "**Bond Law**"), resolutions adopted by the Board of Directors (the "**Board**") of the Authority on August 8, 2023 (the "**Authority Resolution**"), and by the City Council (the "**City Council**") of the City of South Lake Tahoe (the "**City**") on August [8], 2023 (the "**City Resolution**"), and an Indenture (the "**Indenture**") dated as of August 1, 2023, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**").

Purpose of the Bonds. The Bonds are being issued to finance the construction of a multigenerational recreation center, and to pay issuance costs. See "FINANCING PLAN."

The Authority and the City. The Authority is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, between the City and the South Tahoe Redevelopment Agency (the "**Former Redevelopment Agency**"**)**, as amended by Amendment No. 1 to Joint Exercise of Powers Agreement, dated as of March 1, 2022 ("**Amendment No. 1**"), by and between the City, the Successor Agency and to the South Tahoe Redevelopment Agency, as the successor to the Former Redevelopment Agency (the "**Successor Agency**") and the Parking Authority of the City of South Lake Tahoe (the "**Parking Authority**"). The City Council serves as the Governing Board of the Authority. Pursuant to Amendment No. 1, the Parking Authority was added as a member to the Authority and the Successor Agency withdrew from the Authority. See "THE AUTHORITY" herein.

* Preliminary; subject to change.

The City is located at the South Shore of Lake Tahoe, which is the country's largest alpine lake, in El Dorado County, California (the "**County**"), and adjacent to Stateline/Zephyr Cove, Nevada, in the Sierra Nevada Mountains. The population was 20,548 as of January 1, 2023. According to the United States Census Bureau, the City has a total area of 16.5 square miles, of which 10.1 square miles is land and 6.4 square miles is water. Elevation is 6260 ft. As the only incorporated community in the Lake Tahoe Basin, the City takes great pride in being a central hub of one of the country's most popular tourism destinations. The east end of the City, on the California-Nevada state line, is mainly geared towards tourism, with shops, restaurants, hotels, and gondola service to the Heavenly Ski Resort, with the Nevada casinos just across the state line. The western end of town is mainly residential. For additional background, and certain demographic and economic information regarding the City and the County, see APPENDIX B.

***Bond Terms; Book-Entry Only*.** The Bonds will bear interest at the rates shown on the inside cover page, payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2023. The Bonds will be issued in fully registered form, registered in the name of The Depository Trust Company ("**DTC**"), or its nominee, which will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing the Bonds that are purchased. See "THE BONDS – Book-Entry Only System" and "APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Security for the Bonds. The City and the Authority will enter into a Lease Agreement, dated as of August 1, 2023 (the "**Lease**"), under which the City will lease certain real property to the Authority, consisting of (1) the Police Station, (2) the South Lake Tahoe Ice Arena, (3) Bijou Park and (4) the Multigenerational Center (described herein) land and improvements to be built thereon (collectively, the "**Leased Property**"), to the Authority as further described herein under the caption "THE LEASED PROPERTY."

In order to secure the payments of principal of and interest on the Bonds, the Authority proposes to lease the Leased Property back to the City under a Sublease, dated as of August 1, 2023 (the "**Sublease**"), under which the City is obligated to pay semi-annual lease payments (the "**Base Rental**") as rental for the Leased Property, and the Authority will assign substantially all of its rights under the Sublease to The Bank of New York Mellon Trust Company, N.A. as trustee for the Bonds. The Bonds are payable from and secured by a first pledge of and lien on the Revenues (defined herein), consisting primarily of the Base Rental. See "SECURITY FOR THE BONDS."

Base Rental payments are payable from any legally available sources of funds of the City, and are anticipated to be paid by the City from a 2% Transient Occupancy Tax revenue measure (Measure P). See "FINANCING PLAN – 2% TOT (Measure P) Funding Source" and "CITY FINANCIAL INFORMATION – Transient Occupancy Taxes."

Abatement. The Base Rental payments are subject to complete or partial abatement in the event and to the extent that there is substantial interference with the City's use and possession of the Leased Property or any portion thereof. If the Base Rental payments are abated under the Sublease, the Bond Owners may receive less than the full amount of principal of and interest on the Bonds. See "SECURITY FOR THE BONDS – Abatement" and "BOND OWNERS' RISKS – Abatement."

Additional Obligations. Under the Indenture, the Authority may from time to time issue one or more series of Additional Bonds payable from and secured by Revenues on parity with all other Outstanding Bonds. In addition, the City is permitted to enter into other obligations which

constitute additional charges against its revenues without the consent of Owners of the Bonds. See "SECURITY FOR THE BONDS – Additional Obligations."

Bond Insurance; Reserve Surety. The Authority has applied for municipal bond insurance; a determination regarding the use of bond insurance will be made at the time of pricing of the Bonds. If bond insurance is purchased, the Authority may also purchase a reserve account surety policy.

Redemption. The Bonds are subject to redemption prior to their stated maturity dates. See "THE BONDS – Redemption."

Risks of Investment. Debt service on the Bonds is payable only from Base Rental Payments and other amounts payable by the City to the Authority under the Sublease. The Base Rental payments are payable from revenues available in the City's General Fund, which revenues may be materially adversely affected by numerous factors outside the City's control. For a discussion of some of the risks associated with the purchase of the Bonds, see "BOND OWNERS' RISKS."

NEITHER THE BONDS, THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL OF OR INTEREST THEREON, NOR THE OBLIGATION OF THE CITY TO MAKE THE BASE RENTAL PAYMENTS, CONSTITUTE A DEBT OR A LIABILITY OF THE AUTHORITY, THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY. THE BONDS ARE SECURED SOLELY BY THE PLEDGE OF REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE TAXING POWER OF THE CITY.

FINANCING PLAN

The Project

The Bonds are being issued to finance a portion of the costs for the development of a multi-purpose recreation facility and community center, known as the "Multigenerational Center Project," as the first project undertaken pursuant to the 56 Acres Master Plan.

The 56 Acres Master Plan. The 56 Acres Master Plan was developed collaboratively by the City, the County and the California Tahoe Conservancy to guide the development and enhancement of recreation and civic amenities on approximately 56 acres, located at the intersection of Highway 50 and Lake Tahoe (the "56 Acres site"). The 56 Acres site currently includes the City's existing Recreation and Swim Complex, the South Lake Tahoe Ice Arena, the Campground by the Lake, and other civic and cultural buildings south of Highway 50, as well as Lakeview Commons and Champions Plaza north of Highway 50. The 56 Acres Master Plan envisions:

- Construction of the new Multigenerational Center Project, described below
- Renovation and reconfiguration of the Campground by the Lake, with 172 campsites for RV and tent camping and seven tent cabins
- Expansion of Lakeview Commons adjacent to El Dorado Beach
- Development of a new Main Street improving access to the facilities

- Demolition of the existing Recreation and Swim Complex, originally built in 1971, after completion of the new Multigenerational Center Project
- Additional parking, park, trail and other improvements.

The 56 Acres site comprises approximately 42 acres owned by the County but controlled by the City pursuant to a long-term lease, and 14 acres owned by the City. Implementation of the Master Plan required a land swap between the City and County completed in 2022, pursuant to which the City took title to the planned Multigenerational Center site, retained title to the South Tahoe Ice Arena and leased the balance of the 56 Acres site from the County.

The Multigenerational Center. The Multigenerational Center will be built on City-owned land at 1150 Rufus Allen in the City. The location, in the northern part of the 56 Acres site, west of the existing public library, offers filtered views of Lake Tahoe and closer proximity to Highway 50 and Lakeview Commons. The approximately 64,220-square-foot Multigenerational Center has been designed in a mountain modern style, with a mixture of fire-resistance metal, wood, stone, and concrete materials, and has been planned to meet Leadership in Energy and Environmental Design (LEED) Gold standards. The building is planned to include multiple components and amenities, including:

- A new aquatic facility with a six-lane lap pool and 2,500-square-foot activity pool, with spray features and a lazy river, and a pool deck that can accommodate tip-and-roll bleachers for approximately 80 spectators.

- A multi-purpose gymnasium with two high school-sized courts, four middle school-sized courts, a three-lane suspended walk/jog track, and space to accommodate tip-and-roll bleachers for approximately 320 spectators Court striping could also accommodate two volleyball courts and four pickleball/badminton courts.

- Additional recreation space to include an aerobics/dance studio, an arts and crafts classroom, a wet classroom by the pools, second floor event space, second floor outdoor patio, a commercial kitchen for community use, including for the County Senior Nutrition Program, and outside spaces for fitness and small group events.

Project Status. Construction of the Multigenerational Center Project has been split into two phases. Phase 1, which includes site and utility work, has been completed. Phase 1 costs of approximately $3,300,000 were funded from Measure P collections on hand. Phase 2, which includes vertical construction of the building, is expected to begin in May of 2024 and be completed by January of 2026. The City awarded the contract in August 2023 pending close of the Bonds. Based on current estimates, Phase 2 costs are expected to total approximately $73,400,000, including project construction contingency; soft costs and peripheral costs; bond proceeds will be used to fund approximately $55,000,000, with the balance coming from Measure P collections on hand and the General Fund and to a lesser extent, fundraising.

2% TOT (Measure P) Funding Source

In November 2016, voters in the City approved Measure P, to increase the Transient Occupancy Tax (TOT) levied on room nights in the City by an additional 2%, to provide a dedicated revenue source for the construction, operation and maintenance of the Multigenerational Center Project. There is no sunset date for Measure P.

Measure P is dedicated for the Multigenerational Center Project and is accounted for in a special revenue fund outside of the General Fund. Measure P revenue collections for the fiscal years shown are set forth below:

Fiscal Years	Measure P Revenues
2016-17[(1)]	$2,507,719
2017-18	3,307,933
2018-19	3,435,411
2019-20	2,764,825
2020-21	3,234,866
2021-22	3,424,163

(1) For Fiscal Year 2016-17, collections represent only 9 months of collections.
Source: the City.

The City anticipates paying 100% of the Base Rental payments due under the Sublease from Measure P revenues; however, if Measure P revenues are insufficient for such purpose in a particular year, the City has covenanted to use any other legally available sources, including General Fund revenues, for such payments.

For additional information on Measure P and the City's General Fund revenues sources, see "CITY FINANCIAL INFORMATION."

Estimated Sources and Uses

The estimated sources and uses of funds relating to the Bonds are as follows:

Sources:	
Principal Amount of Bonds	$
TOTAL SOURCES	$
Uses:	
Deposit to Project Fund	
Costs of Issuance[(1)]	
TOTAL USES	$

(1) Represents funds to be used to pay Costs of Issuance, which include rating agency fees, bond counsel, disclosure counsel, Trustee fees, Underwriter's discount and other costs of issuing the Bonds.

THE LEASED PROPERTY

General

Base Rental payments will be made by the City under the Sublease for the use and occupancy of the Leased Property. The Leased Property consists of the following:

Police Station, 1352 Johnson Boulevard. The Police Station is approximately 17,500 square feet and was built in 1972. The insured value for the Police Station is $5,524,821, with the underlying land value estimated at an additional $5,238,000.

South Lake Tahoe Ice Arena, 1176 Rufus Allen. The South Lake Tahoe Ice Arena is approximately 37,000 square feet and was built in 2002. The Ice Arena is owned by the City and managed by Tahoe Sports Entertainment, and is the only indoor, year-round ice arena in the region. Offering comprehensive programming, the Ice Arena facilitates the recreation and exercise of local athletes. The insured value of Ice Arena is $12,322,750 and the underlying land value is estimated at an additional $2,880,000.

Bijou Park, 1201 Al Tahoe. Bijou Community Park is a 38.9 acre park constructed in 1992, that offers diverse recreation opportunities, including a basketball court, bike park, fenced dog park, historic railroad exhibit, disc golf course, open meadow, restroom / concession facility, skateboard park, two covered gazebos with barbecue pits, and volleyball courts. The insured value for the structures in the park (including restrooms and picnic gazebo) is $584,661, and the underlying land value is estimated at an additional $35,026,200.

Multigenerational Center Project, 1150 Rufus Allen. The property underlying the planned Multigenerational Center, including the Multigenerational Center and certain other improvements planned to be built thereon, will be part of the Leased Property. The cost of the Multigenerational Center is expected to be approximately $72 million. For more details on the planned improvements, see "FINANCING PLAN – The Project."

Changes to Leased Property

The City will have the right during the term of the Sublease to acquire and construct improvements or to attach fixtures, structures or signs to any of the Leased Property if the improvements, fixtures, structures or signs are necessary or beneficial for the use of such Leased Property by the City; provided, however, that such acquisition or construction must not result in a material reduction in the aggregate value of the Leased Property or reduce the aggregate fair rental value thereof.

Substitution or Release of Property

Pursuant to the Sublease, the Leased Property may be substituted, in whole or in part, by other properties, or a portion of the Leased Property may be released from the Sublease, at the option of the City; provided, that the following conditions have been satisfied:

- Such substitution or release does not, in the opinion of Bond Counsel, adversely affect the tax-exempt status of the Bonds;

- the City shall have provided certification to the Authority and the Trustee that the fair market value of the Leased Property, after the proposed substitution or release,

shall be equal to or greater than the aggregate amount of the principal component of the Base Rental (i.e., the principal amount of the Outstanding Bonds);

- the City certifies to the Authority and the Trustee that, based on the City's determination, the annual fair rental value of the Leased Property, after such substitution or release, is at least equal to the maximum annual Base Rental remaining unpaid under the terms of the Sublease, and the expected useful life of the Leased Property, after such substitution or release, extends at least to the Expiration Date, as such term is defined in the Sublease;

- the City will notify any rating agency then rating the Bonds regarding such substitution or release;

- in the event that the substituted property consists in whole or in part of real property, a California Land Title Association insurance policy (or, at the City's sole discretion, an American Land Title Association insurance policy) on the substituted property has been obtained, along with evidence that, other than Permitted Encumbrances, no prior liens exist as to the substituted property;

- the City will provide to the Authority and the Trustee evidence that any existing title insurance with respect to the portion of the Leased Property remaining after such substitution or release is not affected;

- the Authority and the City will amend the Sublease to properly reflect such substitution or release.

In addition to the release and substitution of property under to the Sublease, upon completion of the Multigenerational Center project, the portions of the Leased Property other than the Multigenerational Center project and the related real property upon which the Multigenerational Center project is located may be released from the Lease and the Sublease; provided, however, that no such release shall occur until there is delivered to the Trustee a certification of the City that the conditions set forth in the Sublease have been satisfied and that the City has received a certificate of occupancy for, and has beneficial use and occupancy of, the Multigenerational Center.

See "APPENDIX C − SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

DEBT SERVICE SCHEDULE

The table below shows annual debt service payments on the Bonds.

Year Ending October 1	Principal	Interest	Total Debt Service
Total:			

THE BONDS

This section provides summaries of the Bonds and certain provisions of the Indenture. See APPENDIX C for a more complete summary of the Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX C.

Authority for Issuance

The Bonds are being issued under the Bond Law, the Indenture, the Authority Resolution adopted by the Board of the Authority on August 8, 2023, and the City Resolution adopted by the City Council on August 8, 2023.

General Provisions

Bond Terms. The Bonds will be dated their date of delivery and issued in fully registered form, numbered from one upwards in consecutive numerical order (with such alphabetical prefix as the Trustee shall determine), without coupons in denominations of $5,000 or any integral multiple of $5,000. The Bonds will mature in the amounts and on the dates, and bear interest at the annual rates, set forth on the inside cover page of this Official Statement.

Payments of Principal and Interest. Interest on the Bonds will be payable on April 1 and October 1 in each year, beginning April 1, 2024 (each an "**Interest Payment Date**"). Principal on the Bonds will be payable on October 1 in the amounts and in the years set forth on the inside front cover of this Official Statement.

While the Bonds are subject to the book-entry system, the principal, interest and any prepayment premium with respect to the Bonds will be paid by the Trustee to DTC for subsequent disbursement to beneficial owners of the Bonds. See "− Book-Entry Only System" below.

Interest with respect to any Bond will be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date, such interest to be paid by check or draft of the Trustee, mailed by first-class mail, no later than the Interest Payment Date to the Owner at such Owner's address as it appears on the registration book maintained by the Trustee; provided however that at the written request of the Owner of at least $1,000,000 in aggregate principal amount of Outstanding Bonds filed with the Trustee prior to any Record Date, interest on such Bonds will be paid to such Owner on each succeeding Interest Payment Date (unless such request has been revoked in writing), by wire transfer in immediately available funds to an account in the United States of America designated by written request. Payments of defaulted interest will be paid by check or draft to the Owners as of a special record date to be fixed by the Trustee, notice of which special record date will be given to the Owners of the Bonds not less than 10 days prior thereto.

The principal of and premium, if any, and interest on the Bonds are payable by check when due upon surrender thereof at the Trust Office in lawful money of the United States of America.

Calculation of Interest. Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless: (i) it is authenticated during the period from the day after the Record Date for an Interest Payment Date to and including such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (ii) it is authenticated on or prior to the Record Date for the first Interest Payment Date, in which event it

will bear interest from its dated date, provided however, that if at the time of registration of any Bond, interest with respect to such Bond is in default, such Bond will bear interest from the Interest Payment Date to which interest has been paid or made available for payment with respect to such Bond.

Notwithstanding the foregoing, if, at the time of registration of any Bond, interest with respect to such Bond is in default, such Bond will bear interest from the Interest Payment Date to which interest has been paid or made available for payment with respect to such Bond.

Transfer, Registration and Exchange

See "APPENDIX C − SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" for a description of the provisions of the Indenture relating to the transfer, registration and exchange of the Bonds.

Redemption*

Optional Redemption. The Bonds maturing on or after October 1, 20___, shall be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under the Sublease on any date with respect to which such prepayment have been made (which shall be on or after October 1, 20___). The Bonds called for optional redemption shall be redeemed at a redemption price equal to 100 percent of the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

Mandatory Sinking Fund Redemption. The Bonds maturing on October 1, 20__ and October 1, 20__ (the "Term Bonds") shall be subject to redemption in part by lot from sinking account payments made by the Authority, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, if some but not all of the Term Bonds of a maturity have been redeemed pursuant to the optional and extraordinary redemption provisions of the Indenture, each future sinking account payment with respect to such Term Bonds will be reduced on a pro rata basis (as nearly as practicable) in integral multiples of $5,000, so that the total amount of sinking account payments with respect to such Term Bonds to be made subsequent to the optional and extraordinary redemption provisions of the Indenture shall be reduced by an amount equal to the principal amount of the Term Bonds so redeemed, all as shall be designated pursuant to written notice filed by the Authority with the Trustee:

Bonds Maturing on October 1, 20__

Redemption Date (October 1)	Principal Amount to be Redeemed

* maturity

* Preliminary; subject to change.

Bonds Maturing on October 1, 20__

Redemption Date (October 1)	Principal Amount to be Redeemed

_____
* maturity

Extraordinary Redemption from Insurance and Condemnation Proceeds. The Bonds are subject to redemption prior to their respective maturity dates, upon notice as provided below, as a whole or in part on a pro rata basis (as much as practicable) among the maturities, on any date, from amounts on deposit in the Redemption Fund pursuant the Sublease (from Net Proceeds received by the City from insurance payments or condemnation awards with respect to the Leased Property or any portion thereof under the circumstances and upon the conditions and terms prescribed in the Sublease, together with additional money, if any, transferred by the City at its discretion for such purpose). Extraordinary redemption will be made at a redemption price equal to the sum of the principal of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all the Bonds, the Trustee will select the Bonds to be redeemed from the all Outstanding Bonds or such given portion thereof not previously called for redemption, on a pro rata basis among the maturities (unless the maturity or maturities are otherwise specified in the Indenture or in writing by the Authority, and by lot within a maturity in any manner which the Trustee in its discretion deems appropriate. For purposes of such selection, all Bonds will be deemed to be comprised of separate $5,000 portions and such portions will be treated as separate Bonds, which may be separately redeemed.

Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority will execute, and the Trustee will authenticate and deliver, to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond being redeemed. A partial redemption will be valid upon payment of the amount required to be paid to the Owner, and the Authority and the Trustee will be released and discharged from all liability to the extent of such payment.

Notice of Redemption. The Authority will give written notice of its intention to redeem Bonds under the optional or extraordinary redemption provisions of the Indenture to the Trustee at least 45 days before the proposed redemption date; provided, that the Trustee may accept a shorter notice period or waive such notice requirement at the Trustee's sole discretion. The Trustee, on behalf and at the expense of the Authority, will send by first class mail (or if the Owner of such Bonds is a depository, by such method as acceptable to such depository) notice of any redemption to (i) the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, (ii) to the Securities Depositories and (iii) to one or more Information Services by such manner of delivery as then acceptable to such entities, at least 30 but not more than 60 days prior to the date fixed for redemption; provided, however, that neither failure to receive any such notice so sent nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon.

Such notice of redemption will state the date of the notice, the redemption date, the redemption place, the redemption price and will specify the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and will require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Neither the Authority nor the Trustee will have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee will be liable for any inaccuracy in such numbers.

Right to Rescind Optional Redemption. The Authority (upon direction by the City, at the City's option) may rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. In addition, any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Authority, the City and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Outstanding Bonds or such given portion thereof not previously called for redemption, on a pro rata basis among the maturities (unless the maturity or maturities are otherwise specified in this Indenture or in writing by the Authority) and by lot within a maturity in any manner which the Trustee in its discretion shall deem appropriate. For purposes of such selection, all Bonds shall be deemed to be comprised of separate $5,000 portions and such portions shall be treated as separate Bonds, which may be separately redeemed.

Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond being redeemed. A partial redemption shall be valid upon payment of the amount required to be paid to the Owner, and the Authority and the Trustee shall be released and discharged from all liability to the extent of such payment.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon from and after the redemption date. All Bonds redeemed pursuant to the Indenture will be canceled by the Trustee. All moneys held by or on behalf of the Trustee for the payment of principal of or interest or premium on Bonds, whether at redemption or maturity, will be held in trust for the account of the Owners thereof and the Trustee will not be required to pay Owners any interest on, or be liable to Owners for any interest earned on, moneys so held.

Book-Entry Only System

The Bonds will be issued as fully registered bonds in book-entry only form, registered in the name of Cede & Co. as nominee of DTC, and will be available to ultimate purchasers in the denomination of $5,000 or any integral multiple of $5,000, under the book-entry system maintained by DTC. While the Bonds are subject to the book-entry system, the principal, interest and any redemption premium with respect to a Bond will be paid by the Trustee to DTC, which in turn is obligated to remit such payment to its DTC Participants for subsequent disbursement to Beneficial Owners of the Bonds. Purchasers of the Bonds will not receive certificates representing their interests therein, which will be held at DTC.

See "APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM" for further information regarding DTC and the book-entry system.

SECURITY FOR THE BONDS

The principal of and interest on the Bonds are not a debt of the Authority or the City, nor a legal or equitable pledge, charge, lien or encumbrance, upon any of their respective property, or upon any of their income, receipts, or revenues except the Revenues and other amounts pledged under the Indenture.

This section provides summaries of the security for the Bonds and certain provisions of the Indenture, the Sublease and the Lease. See "APPENDIX C – Summary of Principal Legal Documents" for a more complete summary of the Indenture, the Sublease, the Lease and the Assignment Agreement. Capitalized terms used but not defined in this section have the meanings given in APPENDIX C.

Revenues; Pledge of Revenues

Pledge of Revenues and Other Amounts. Under the Indenture, subject to the lien in favor of the trustee for certain fees and costs, the Bonds will be secured by a first lien on and pledge (which shall be effected in the manner and to the extent provided in the Indenture) of all of the Revenues and a pledge of all the moneys in the Lease Revenue Fund, including all amounts derived from the investments of such moneys.

The Bonds will be equally secured by a pledge, charge and lien upon the Revenues and such moneys without priority for number, date of the Bonds, date of execution or date of delivery; and the payment of the interest on and principal of the Bonds and any premiums upon the redemption of any portion thereof will be and are secured by an exclusive pledge, charge and lien upon the Revenues and such moneys.

So long as any of the Bonds remain Outstanding, the Revenues will not be used for any other purpose; except that out of the Revenues and such moneys there may be apportioned such sums in the Lease Revenue Fund, for such purposes, as are expressly permitted under the Indenture.

Definition of Revenues. "Revenues" are defined in the Indenture as (a) all Base Rental Payments payable by the City pursuant to the Sublease (including prepayments); (b) any proceeds of Bonds originally deposited with the Trustee and held by the Trustee in the Lease Revenue Fund and the accounts thereof; (c) investment income with respect to any moneys held

by the Trustee in the Lease Revenue Fund and the accounts thereof (other than amounts payable to the United States of America pursuant to tax-exemption law requirements); and (d) any insurance proceeds or condemnation awards received by or payable to the Trustee with respect to the Leased Properties, including rental interruption insurance.

Revenues Held in Trust. Except as otherwise provided in the provisions of the Indenture concerning the investment of moneys in funds, all Revenues to which the Authority may at any time be entitled will be paid directly to the Trustee and all of the Revenues collected or received by the Authority will be deemed to be held in trust and to have been collected or received by the Authority as the agent of the Trustee, and if received by the Authority at any time will be deposited by the Authority with the Trustee.

Allocation of Revenues by Trustee; Application of Funds

Transfers from the Lease Revenue Fund. All Base Rental Payments will be deposited by the Trustee in a special fund designated as the Lease Revenue Fund (the "**Lease Revenue Fund**"), which the Trustee will establish, maintain and hold in trust under the Indenture.

Under the Indenture, on or before each Interest Payment Date, the Trustee will transfer from the Lease Revenue Fund and deposit into the following respective accounts, each of which the Trustee will establish and maintain within the Lease Revenue Fund, and the moneys in each of which will be disbursed and applied only as authorized in the Indenture. Revenues will be deposited in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any fund subsequent in priority:

Interest Account. On or before each Interest Payment Date, the Trustee will deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on such Interest Payment Date on all Outstanding Bonds. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the interest becoming due and payable upon all Outstanding Bonds on each succeeding Interest Payment Date within the then current Bond Year.

All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to the Indenture).

Principal Account. On or before each Interest Payment Date, the Trustee will deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds maturing or required to be redeemed through mandatory sinking account redemption on such Interest Payment Date. All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds.

Surplus. On or promptly after each Interest Payment Date, Trustee will determine the amount, if any, remaining in the Lease Revenue Fund after making the deposits required by the paragraphs above and the transfers of investment earnings pursuant to

the Indenture, and shall notify the City of the amount so determined. The Trustee will apply such amount as a credit against the next following Base Rental Payment; provided however, if directed in a Request of the City, the Trustee will, with respect to all or any portion of such amount, pay, or set an amount aside for the payment of, any rebate requirement in accordance with a computation made by the City pursuant to the Code, or if no such rebate requirement is then due, release to the City for use for any lawful purpose.

Base Rental

Requirement to Make Base Rental. Under the Sublease, the City agrees to pay to the Authority, its successors or assigns, as rental for the use and possession of the Leased Property (subject to the provisions of the Sublease concerning the rental interruption insurance and rental abatement), the amounts at the times specified in and in accordance with the Base Rental Payment Schedule set forth in the Sublease, less any amount credited against Base Rental Payments pursuant to the Indenture.

Base Rental Payments will be payable in arrears 5 days before each Interest Payment Date during the term of the Sublease, and will be made in consideration for the City's use and possession of the Leased Property for the six month period preceding the date of such payment. The Authority has assigned its right to receive Base Rental Payments to the Trustee.

Payment in Installments. Each installment of Base Rental payable under the Sublease and each installment of Additional Rental (as described under the heading "− Additional Rental") payable under the Sublease will be paid in lawful money of the United States of America to the order of the Trustee at the corporate trust office of the Trustee in Los Angeles, California, or such other place as the Trustee designates.

Offsets and Credits. Notwithstanding any dispute between the City and the Authority, the City is obligated to make all rental payments when due under the Sublease, without deduction or offset of any kind and will not withhold any rental payments pending the final resolution of such dispute. In the event of a determination that the City was not liable for said rental payments or any portion thereof, the payments or excess of payments, as the case may be, at the option of the City, will be credited against subsequent rental payments due under the Sublease or be refunded at the time of such determination.

Additional Rental

Under the Sublease, the City will also pay as Additional Rental, in addition to the Base Rental, to the Authority or to the Trustee, such amounts in each year as will be required for the payment of all costs and expenses (not otherwise paid for or provided for out of the proceeds of sale of the Bonds) incurred by the Authority or the Trustee in connection with the execution, performance or enforcement of the Sublease or the assignment thereof, the Indenture, or the Authority's or the Trustee's respective interests in the Leased Property, including, but not limited to:

(i) All fees, costs and expenses.

(ii) All administrative costs of the Authority relating to the Leased Property (including, without limiting the generality of the foregoing, salaries and wages of employees, overhead, insurance premiums, taxes and assessments (if

any), expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture).

(iii) Fees of auditors, accountants, attorneys or engineers, and all other reasonable and necessary administrative costs of the Authority or charges required to be paid by it to comply with the terms of the Bonds or of the Indenture.

Fair Rental Value

The payments of the Base Rental and Additional Rental for each rental payment period during the term of the Sublease will constitute the total rental for said rental payment period, and will be paid by the City in each rental payment period for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property during each such period for which said rental is to be paid.

The City and the Authority have agreed and determined that such total rental does not exceed the fair rental value of the Leased Property for each such period. In making such determination, consideration has been given to other obligations of the parties under the Sublease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the City and the general public.

Notwithstanding any other provision of the Sublease, if rental payments are abated for any period of time, the resulting Base Rental in any year during which such interference continues will not exceed the fair rental value of the portions of the Leased Property as to which such damage, destruction, taking or impairment do not substantially interfere with the City's use and right of possession. See "– Abatement" below.

Limited Obligation

The Bonds are special obligations of the Authority, payable solely from and secured by a pledge of the Revenues as specified herein and in the Indenture. Neither the payment of the principal of the Bonds, nor any interest thereon, constitutes a debt, liability or obligation of the City, Authority or State of California. The obligation of the City to pay the Base Rental or Additional Rental does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Source of Payments; Covenant to Appropriate Funds for Base Rental

Under the Sublease, the City covenants to take such action as may be necessary to include all Base Rental and Additional Rental payments due under the Sublease in its annual budget and to make necessary annual appropriations for all such rental payments. If the City's adopted annual budget for any fiscal year fails to include sufficient appropriation for the scheduled Base Rental Payments and Additional Rental payments for the such fiscal year, the City shall give written notice to the Authority and the Trustee of such failure as soon as practical, but in any event within ten Business Days of the adoption of such annual budget.

Such covenants will be deemed to be and will be construed to be duties imposed by law and it will be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements agreed to be carried out and

performed by the City in the Sublease; provided, the obligation of the City to make Base Rental or Additional Rental payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Abatement

General. The obligation of the City to pay Base Rental and Additional Rental will be abated during any period in which, by reason of any damage, destruction, condemnation or impairment of leasehold interest, there is substantial interference with the use and occupancy of the Leased Property or any portion thereof by the City.

Except as set forth therein, in the event of any damage, destruction of condemnation, the Sublease will continue in full force and effect and the City waives any right to terminate the Sublease by virtue of such damage, destruction or condemnation. Under the Sublease, the City waives the benefits of California Civil Code Sections 1932(1), 1932(2), 1933(4), 1941, and 1942.

The abatement will be in an amount agreed upon by the City and the Authority such that the resulting Base Rental in any year during which such interference continues does not exceed the fair rental value of the portions of the Leased Property as to which such damage, destruction, taking or impairment do not substantially interfere with the City's use and right of possession. Such abatement will continue for the period commencing with the date of such interference and ending with the restoration of the relevant Leased Property to tenantable condition.

Proceeds of Rental Interruption Insurance. Under the Sublease, the City acknowledges and agrees that during any period of abatement with respect to all or any part of the Leased Property, proceeds of rental interruption insurance maintained under the Sublease will be used to pay Annual Debt Service on the Bonds to the extent necessary to restore the balance therein to the Reserve Requirement, and any proceeds of such insurance not so used shall be applied as provided in the Indenture to the extent required to pay administrative costs of the Authority in connection with the Leased Property. See "– Covenants to Maintain Insurance − Rental Interruption Insurance."

Additional Obligations

Under the Indenture, the Authority may from time to time issue one or more series of Additional Bonds payable from and secured by Revenues on parity with all other Outstanding Bonds. In addition, the City is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the Bonds.

Additional Bonds may be issued pursuant to a Supplemental Indenture, which shall specify: (i) the maturity date or dates of such Additional Bonds, which shall be October 1 in any given year; (ii) the interest payment dates, which shall be April 1 and October 1; (iii) the terms, if any, for call and redemption of such Additional Bonds prior to maturity; and (iv) the interest rate or rates on such Additional Bonds and any other matters deemed appropriate or necessary and not inconsistent with the provisions of the Indenture.

In addition, there shall be provided a Certificate of the Authority: (i) certifying that the Authority is in compliance in all material respects with all agreement and covenants contained in the Indenture and that no Event of Default has occurred or is continuing; (ii) stating that the Authority and the City have entered into an amendment to the Sublease pursuant to which the

City is obligated to make Base Rental Payments at times and in amounts sufficient to provide for payment of the principal of and interest on the Bonds (including such Additional Bonds) which will be Outstanding following the sale and delivery of such Additional Bonds; and (iii) containing such additional statements as may be reasonably necessary to show compliance with the requirements of the Indenture.

Default; Remedies

City Default and Remedies. The City will be deemed to be in default under the Sublease if the following occurs: default in the observance or performance of any agreement, condition, covenant or term contained in the Sublease required to be observed or performed by the City (including, without limitation, the payment of any Base Rental or Additional Rental due under the Sublease; provided that non-payment of Base Rental or Additional Rental during any period of abatement under the Sublease will not be deemed a default), subject to the provisions of the Sublease.

The Trustee, as assignee of the Authority, may at any time after default by the City (with or without notice and demand and without limiting any other rights or remedies the Authority may have), recover rent and other monetary charges as they become due under the Sublease without terminating the City's right to possession of the Leased Property (regardless of whether or not the City has abandoned the Leased Property).

Furthermore, upon the occurrence of such a default by the City, the Trustee, as assignee of the Authority, will have the right, and the City irrevocably appoints the Authority as its agent and attorney-in-fact for such purpose, to attempt to relet the Leased Property at such rent, upon such conditions and for such term, and to do all other acts to maintain or preserve the Leased Property, including the removal of persons or property therefrom or taking possession thereof, as the Authority deems desirable or necessary. Under the Sublease, the City waives any and all claims for any damages that may result to the Leased Property upon any action taken by the Authority in event of default.

No such action taken by the Trustee, as assignee of the Authority, upon the City's default under the Sublease (as described above) will be deemed to terminate the Lease or the Sublease and the City will continue to remain liable for any deficiency that may arise out of such reletting, taking into account expenses incurred by the Authority due to such reletting, payable at the same time and manner as provided for Base Rental in the Sublease.

Authority Default and Remedies. The Authority will be deemed to be in default under the Indenture if the following occurs:

(i) Default in the due and punctual payment of the principal of or premium on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, or by proceedings for redemption.

(ii) Default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable.

(ii) Upon the happening of any of certain other events specified in the Indenture.

The Trustee under the Indenture, and as assignee of the Authority under the Sublease and the Indenture, may exercise any and all remedies available pursuant to law (other than those

specifically waived in the Indenture, the Lease, and the Sublease) upon the occurrence of any default and will have the right to do any of the following:

(i) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Authority or any member, officer or employee thereof, in order to compel the Authority or any such member, officer or employee to perform and carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained in the Indenture;

(ii) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(iii) by suit in equity upon the happening of an Event of Default to require the Authority and its members, officers and employees to account as the trustee of an express trust.

Covenants to Maintain Insurance

Title Insurance. Under the Sublease, the City is required to obtain one or more California Land Title Association insurance policies (or, at the City's sole discretion, American Land Title Association insurance policies) at the time of and dated as of the Closing Date in an aggregate amount not less than the aggregate principal amount of the Bonds, payable to the Trustee, insuring the respective interests of the City and the Authority in the Leased Property, and insuring the validity of the Sublease, subject only to Permitted Encumbrances, naming the Trustee as an insured thereunder, issued by a title insurance company qualified to do business in the State of California and acceptable to the Trustee.

Fire and Extended Coverage Insurance. Under the Sublease, the City is required to maintain or cause to be maintained fire, lightning and extended coverage insurance on the Leased Property in an amount equal to:

(i) 100 percent of the then current replacement cost of the Leased Property, excluding the then fair market value of the land as unimproved; or

(ii) the principal amount of all outstanding Bonds, whichever is less (except that such insurance may be subject to a deductible clause not to exceed 10 percent of the amount of such policy).

Earthquake insurance will be maintained on the Leased Property only if available on the open market from reputable insurance companies at a reasonable cost. The City does not currently maintain earthquake insurance on the Leased Property and does not expect to purchase earthquake insurance at this time.

The extended coverage endorsement will, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke, vandalism, malicious mischief, dumping or other deposit of any pollutant or other debris and such other hazards as are normally covered by such endorsement. Each such policy of insurance will be in form reasonably satisfactory to the Authority, and will contain a clause naming the Trustee as an additional insured and making all losses payable to the Trustee, and all proceeds thereof shall be paid over to the party contractually responsible for making repairs of casualty damage.

In the event of any damage to or destruction of the Leased Property caused by the perils covered by such insurance, the proceeds of such insurance will be utilized to repair, reconstruct or replace the Leased Property to the end that the project will be restored to at least the same condition that it was in prior to such damage or destruction. Any balance of such proceeds not required for such repair, reconstruction or replacement will be transferred to the Authority and treated as Revenues and applied in the manner provided in the Indenture.

Liability Insurance. Under the Sublease, the City is required to maintain or cause to be maintained public liability insurance with limits of not less than $3,000,000 for one person and $5,000,000 for more than one person involved in one accident to protect the Authority and the Trustee from all direct or contingent loss or liability for damages for bodily injury or death occasioned by reason of the construction, condition or operation of the Leased Property. The City will also maintain or cause to be maintained insurance against liability for property damage resulting from any casualty attributable to the operation of the project in an amount not less than $1,000,000 for each accident. The public liability insurance and property damage insurance may be subject to a deductible clause for any one accident of not to exceed $250,000. The insurance coverage required by the Sublease may be effected by blanket policies covering the Leased Property issued to the party contractually responsible for the maintenance and operation of the project and such insurance policy or policies shall name the Trustee as an additional insured.

Rental Interruption Insurance. The City is required under the Sublease to maintain or cause to be maintained or use and occupancy insurance to cover loss, total or partial, of the use of the Leased Property as a result of any of the hazards covered by the insurance required by the Fire and Extended Coverage Insurance section above, in an amount not less than the total rent payable by the City under this Sublease for a period of any future 24 months.

Any such insurance policy will be in form satisfactory to the Authority and will contain a clause naming the Trustee as an additional insured and making any loss thereunder payable to the Trustee as its interests may appear. Any proceeds of such insurance will be used by the Trustee to pay Annual Debt Service on the Outstanding Bonds for the period during which the payment of rental under the Sublease is abated, and any proceeds of such insurance not so used will be applied as provided in the Indenture to the extent required to pay administrative costs of the Authority in connection with the Leased Property.

Self-Insurance. As an alternative to providing the insurance required by the "Liability Insurance" description above, the City may provide or cause to be provided a self-insurance method or plan of protection if and to the extent such self-insurance method or plan of protection shall afford reasonable protection to the City and the Authority, and their directors, officers, agents and employees and the Trustee, its directors, officers, agents and employees in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the City; provided that the obligation of the Authority or City to make payments under such self-insurance shall be limited to money in a designated fund balance established by the Authority or City and that the Authority or City shall not be obligated to replenish such designated fund balance from the General Fund or be otherwise obligated to make payments except from such designated fund balance. After the Commencement Date, before any substitute method or plan may be provided by the City, there shall be filed with the Trustee a certificate of an actuary, independent insurance consultant or other qualified person, stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford adequate protection to the City and the Authority, and their directors, officers, agents and employees and the Trustee and its directors, officers, agents and employees against loss and

damage from the hazards and risks covered thereby; provided, however, that in the event the City provides a self-insurance method or plan of protection for the insurance required by the "Rental Interruption Insurance" description above, the designated fund balance established by the City shall be funded in an amount at least equal to the greatest of the aggregate Base Rental payable by the City under the Sublease for a period of any future 24 months.

Moreover, as an alternative to providing the insurance required by the "Rental Interruption Insurance" description above, the City may provide a self-insurance method or plan of protection through the California Insurance Pool Authority (or another insurance risk sharing pool joint powers authority formed in the State) or any successor entity as the City may reasonably determine.

Damage, Destruction and Condemnation; Net Proceeds

If the whole, or any portion, of the Leased Property is destroyed (in whole or in part) or is damaged by fire of other casualty or taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), or the leasehold title in all or a portion of the Leased Property is materially impaired by reason of a defect in title, then

(a) the City, but only to the extent permitted by law, shall substitute other property for the portion of the Leased Property that has been destroyed, or taken, or affected by the defective title in accordance with the Sublease; or

(b) the City shall require the Net Proceeds of any insurance payment (other than the Net Proceeds of rental interruption insurance which shall be applied pursuant to the Sublease) or any condemnation award to be held by the Trustee in the Insurance and Condemnation Fund established under the Indenture to be applied and disbursed by the Trustee as follows:

(i) If less than all of the Leased Property shall have been so destroyed or taken or affected by defective title and the remainder is usable, then the Sublease shall continue in full force and effect as to such remainder and (A) if the portion taken or destroyed is replaced by one or more properties of equal or greater fair market value (as demonstrated by an MAI fair market appraisal), the Trustee upon written direction of the City shall disburse such proceeds to the party that incurred the expense of making such replacement and there shall not be any abatement of the Base Rental under this Sublease; or (B) failing the making of such replacement, there shall be a partial abatement of the Base Rental under the Sublease and the Trustee shall apply such Net Proceeds, together with any other money then available to it for such purpose, to the Redemption Fund under the Indenture for the redemption of outstanding Bonds.

(ii) If less than all of the Leased Property shall have been so destroyed or taken or affected by defective title and the remainder is not usable, or if all of the Leased Property shall have been so destroyed or taken or affected by the defective title, then the term of the Sublease shall cease as of the day that possession shall be so taken; and the Trustee shall apply such Net Proceeds, together with any other money then available to it for such purpose, to the Redemption Fund under the Indenture for the redemption of outstanding Bonds.

See "THE BONDS – Redemption – Extraordinary Redemption."

THE AUTHORITY

The Authority is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, between the City and the Former Redevelopment Agency, as amended by Amendment No. 1 to Joint Exercise of Powers Agreement, dated as of March 1, 2022, by and between the City, the Successor Agency and the Parking Authority. The City Council serves as the Governing Board of the Authority. Pursuant to Amendment No. 1, the Parking Authority was added as a member to the Authority and the Successor Agency withdrew from the Authority. The Authority is a separate legal entity and is authorized pursuant to Article 4 of the Act to issue bonds to provide financing for public capital improvements.

THE CITY

General

The City is located at the South Shore of Lake Tahoe, the country's largest alpine lake, in El Dorado County, California (the "**County**"), and adjacent to Stateline/Zephyr Cove, Nevada, in the Sierra Nevada Mountains. The population was 20,548 as of January 1, 2023. According to the United States Census Bureau, the City has a total area of 16.5 square miles, of which 10.1 square miles is land and 6.4 square miles is water. Elevation is 6,260 ft. As the only incorporated community in the Lake Tahoe Basin, the City takes great pride in being a central hub of one of the country's most popular tourism destinations. The east end of the City, on the California-Nevada State line, is mainly geared towards tourism, with shops, restaurants, hotels, and the Heavenly Ski Resort, with the Nevada casinos just across the State line. The western end of town is mainly residential.

For additional background, and certain demographic and economic information regarding the City and the County, see APPENDIX B. Historical information set forth in this Official Statement, including APPENDIX B hereto, is not intended to be predictive of future results.

City Government

The City was incorporated on November 30, 1965 under the general laws of the State of California. The City provides a wide range of services, including police and fire, street maintenance, airport, planning and building and parks and recreation.

The City has a Council-Manager form of government made up of five council members elected to four-year, overlapping terms. The Mayor and Council appoint a City Manager who is responsible for daily administration of City affairs, including preparation and submission of the annual budget, which is done under the direction of the Mayor and the City Council for the Mayor's submission to the City Council. The City Treasurer, an elected position, invests public funds in a prudent manner that provides maximum security while meeting daily cash flow demands and conforming to all statutes governing the investment of public funds.

The City Attorney, directly appointed by the City Council, and the assistant city attorney are responsible for administration of all legal affairs of the City, including the City Council, the various city commissions, as well as all city departments and officers.

Member	Position	Term Expires
Cristi Creegan	Mayor	November 2024
Cody Bass	Mayor Pro Tem	November 2026
John Friedrich	Council Member	November 2024
Scott Robbins	Council Member	November 2026
Tamara Wallace	Council Member	November 2026

Following are short biographies of the City Manager and Finance Director:

Joe Irvin, City Manager. Joe Irvin is the City Manager for the City. Before joining the City in May 2020, he served as Assistant City Manager for Healdsburg, California, since August 2018. He was with the City of Sequim, Washington from 2014-2018, where he was first Special Projects Manager, then Assistant to the City Manager, then Assistant City Manager. He also served the City of Sequim from 2005-2011 as a City Planner. Mr. Irvin was also with the City of Marco Island, Florida, from 2011-2014 where he was Zoning Administrator.

Mr. Irvin is a member of the International City/County Managers Association (ICMA) and a certified planner (AICP) from the American Planning Association. He has a bachelor's degree in Environmental Science from California State University Channel Islands and a master's degree in Public Administration from The Evergreen State College.

Olga Tikhomirova*, Finance Director.* Olga Tikhomirova has worked for the City since March 2002 in multiple finance and leadership roles, including Accountant, Financial Services Supervisor, and Financial Services Manager. Ms. Tikhomirova was appointed as Finance Director in June 2021. She leads the City's finance and information technology teams and develops and oversees the City's $110 million annual budget in collaboration with various City departments. For the last 15 years, during Ms. Tikhomirova's tenure in various leadership positions, the City has been receiving yearly a Certificate of Achievement for Excellence in Financial Reporting and a Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA).

Ms. Tikhomirova is a Certified Public Accountant (CPA), has a master's degree in economics with a major in finance and credit from the Finance Academy of Moscow, Russia. She has been a part of the South Lake Tahoe community for the past 26 years. Prior to joining the City, she worked for private accounting firms and banks in the United States and abroad.

Labor Relations

For Fiscal Year 2021-22, the City employed approximately 203 full-time equivalent employees. There are six employee bargaining unions as shown below. In addition, the City employs approximately 17 management employees who are not represented by a union or other collective bargaining agent. The City is currently in active negotiations with all its bargaining unions.

Labor Organization	No. of Employees	Current Contract Expiration Date
Police Employee Association	20	September 30, 2023
Police Officers Association	32	September 30, 2023
Police Supervisors Association	13	September 30, 2023
General and Public Works	69	September 30, 2023
Admin & Confidential Employees	18	September 30, 2023
Firefighter's Association	34	September 30, 2023

CITY FINANCIAL INFORMATION

Accounting and Financial Reporting

The City maintains its accounting records in accordance with Generally Accepted Accounting Principles ("**GAAP**") and the standards established by the Governmental Accounting Standards Board ("**GASB**").

The Governmental Accounting Standards Board published its Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, on June 30, 1999 ("**GASB Statement No. 34**"). GASB Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) government-wide financial statements prepared using the economic measurement focus and the accrual basis of accounting and fund financial statements prepared using both the current financial resources measurement focus and the modified accrual method of accounting (governmental funds) and funds using the economic measurement focus and the accrual basis of accounting (proprietary funds) and (iii) required supplementary information. The City's financial statements are prepared in conformance with the requirements of GASB Statement No. 34.

In the government-wide Statement of Net Position and Statement of Activities in the City's audited financial statements for the Fiscal Year ending September 30, 2021, both governmental and proprietary activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used.

Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are

recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long-term liabilities, claims and judgments, and compensated absences, which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the government. Impact fees are received and recognized as revenue upon project completion and inspection. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the Fiscal Year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City’s policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds’ principal operations. The principal operating revenues of the enterprise and internal service funds are charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

The City’s fiduciary funds consist of a private-purpose trust fund, which is reported using the economic resources measurement focus, and agency funds, which have no measurement focus, but utilizes the accrual basis for reporting assets and liabilities.

The City Council employs, at the beginning of each Fiscal Year, an independent certified public accounting firm which, at such time or times as specified by the City Council, at least annually, at such other times as such firm shall determine, examines the books, records, inventories and reports of all officers and employees who receive, control, handle or disburse public funds and of all such other officers, employees or departments as the City Council may direct. As soon as practicable after the end of the Fiscal Year, a final audit and report is submitted by such firm to the City Council and a copy of the financial statements as of the close of the Fiscal Year is published.

COVID-19 Pandemic

Early in the COVID-19 pandemic, the City experienced decreased General Fund revenues due to a decrease in tourism necessitated by the shelter-in-place orders. However, tourism

rebounded strongly in the City beginning in summer 2020. In addition, the City received funding from the American Rescue Plan Act of 2021 (ARPA) in the amount of $2,654,997 in each of Fiscal Year 2021-22 and Fiscal Year 2022-23.

There can be no assurances that any future spread of COVID-19 and/or responses intended to slow the spread of COVID-19 or new public health emergencies such as declining business and travel activity, will not materially adversely impact the state and national economies and, accordingly, materially adversely impact the financial condition of the City and the City's General Fund in the future. See "BOND OWNERS' RISKS – Public Heath Emergencies."

General Fund, the Budget Process and Information

The City's General Fund is its primary operating fund, and is where the City accounts for all its general-purpose revenues. It is distinguished from the City's other governmental funds that are used to account for special purpose revenues, capital projects, debt service activities, and monies held for the benefit of others.

The City operates on a fiscal year basis that begins on the first day of October of each year and ends on the thirtieth day of September the following year. The annual budget adopted by the City Council provides for the general operation of the City. Development of the City's annual budget is a process which generally begins in April and continues until the budget is adopted by the City Council by September. The General City Budget includes programs which are provided on a largely City-wide basis. The programs and services are financed primarily by the City's share of sales tax, property tax, transient occupancy tax, revenues from the State and/or federal government, and charges for services provided.

The City Council approves total budgeted appropriations and any amendments to appropriations throughout the Fiscal Year. Appropriations lapse at fiscal year-end. The City Council generally reauthorizes appropriations for continuing projects and activities. The City Council has the legal authority to amend the budget of any fund at any time during the Fiscal Year. The budgetary level of control (the level on which expenditures may not legally exceed appropriations) is generally at the fund level. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Long-Term Financial Planning. The City incorporates long-term financial planning into its budget process in several ways.

First, the City has established a set of financial policies that establish goals for the allocation of public resources in the manner best suited to the efficient provision of City services to citizens and visitors present within the City. Some of these policies call for maintaining adequate cash reserves and providing on-going maintenance of infrastructure and buildings, which are vital to sound fiscal management.

Second, the Council undertakes a strategic planning process to establish goals and priorities for the organization after taking into account public input. Specifically, the Council engaged the community at a public hearing and by soliciting ideas and input through a variety of means. Based on this input, the City Council adopts goals, objectives, and resources permit objectives.

Third, the City maintains a long-range capital planning process that helps drive annual capital funding decisions as well as periodic bond issues for larger investments.

Finally, all Governmental Accounting Standards Board pronouncements are monitored and implemented into the City's financial statements.

Budgetary Control Policy. The City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service funds, capital projects funds, enterprise funds, and internal service funds are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund.

The City's budgetary records are maintained on a modified accrual basis. Revenues are recorded when measurable and available and expenditures are recorded when goods or services are received and the liability incurred. Based on the City's financial management policies, the City is required to maintain a balanced operating budget, which is adopted by resolution on or before September 30th for the ensuing Fiscal Year that commences on October 1st.

Following the adoption of the budget, it is sometimes necessary to amend the budget. Appropriations in the budget may be adjusted by recommendation of the Finance Director and approval by the City Manager when the budget is not increased in total amount. Savings from appropriations in one section of a department budget may be used to fund another section of a department budget. Any increase in appropriations that increases the total adopted budget must be approved by the City Council. The City Council formally reviews the City's fiscal condition and amends appropriations, if necessary, six months after the beginning of each fiscal year.

Fiscal Year 2022-23 Adopted Budget. The City's budget for Fiscal Year 2022-23, which runs from October 1, 2022 through September 30, 2023, was adopted on August 23, 2022. As shown in the following table, both revenues and expenditures are budgeted to be higher than for Fiscal Year 2021-22. The increased revenues are anticipated to come primarily from higher property taxes and sales taxes, while the increased expenditures are anticipated to be due to the General Government and Police categories.

Current and Proposed Fiscal Year Budget Information. Set forth in Table 1 is the General Fund budget for Fiscal Year 2021-22 (as amended) and Fiscal Year 2022-23 Adopted and Amended budgets. The City's fiscal year ends on September 30 of each year.

TABLE 1
City of South Lake Tahoe General Fund Budget Summary
Fiscal Years 2021-22 and 2022-23

	2021-22 Amended Budget	2022-23 Adopted Budget	2022-23 Amended Budget
Revenues			
Property tax	$9,175,180	$9,650,000	$9,860,000
Transient occupancy-City	10,227,113	10,513,562	10,413,562
Transient occupancy-Project Area(4)	6,742,177	6,740,000	7,040,000
Sales tax (Statewide)	6,300,650	7,100,000	7,100,000
Measure Q (Local sales tax)	3,192,325	3,500,000	3,500,000
Motor vehicle license fees	2,285,000	2,515,000	2,515,000
Franchise taxes	1,540,000	1,540,000	1,690,000
Business license tax	1,647,000	1,692,000	1,692,000
Transfers in	2,027,189	1,520,764	2,500,768
Other revenue	6,845,881	6,114,431	8,040,749
Total Revenues(1)	**$49,982,515**	**$50,885,757**	**$54,352,079**
Expenditures			
Current:			
General government(2)	4,743,110	5,043,925	5,307,816
Finance(3)	2,505,948	2,579,750	2,636,315
Non-departmental	5,936,161	4,329,428	5,766,011
Police	13,058,509	13,223,803	13,617,368
Fire	9,945,125	9,986,351	11,474,696
Public works	4,009,353	4,478,081	4,750,338
Development services	2,176,898	1,851,549	2,120,137
Parks and recreation	3,402,639	3,237,750	3,244,195
Transfers-out(5)	11,325,032	6,155,120	7,346,642
Total Current	**$57,102,775**	**$50,885,757**	**$56,263,518**

(1) Excludes 2% TOT Revenues (Measure P), which is dedicated for the Multigenerational Center Project and is accounted for in a special revenue fund, not the General Fund. For Fiscal Years 2021-22 and 2022-23, Measure P revenues were budgeted at $3,000,000, and $3,200,000, respectively. Also excludes Measure S (local sales tax), which is budgeted at $6,440,000 for Fiscal Year 2021-22 and $7,000,000 for Fiscal Year 2022-23.
(2) Includes City Council, City Clerk, City Manager's Office, City Attorney, City Treasurer.
(3) Includes information technology.
(4) The TOT generated in the Project Area is pledged to pay bonds issued by the Successor Agency to the South Tahoe Redevelopment Agency, only the portion of these funds in excess of net debt service not otherwise paid by tax increment is available to the General Fund.
(5) Includes the portion of the Successor Agency bonds paid from TOT generated in the Project Area. See notes 15 and 16 to *audited financial statements in Appendix A.*

Source: City of South Lake Tahoe Adopted Budget for Fiscal Year 2021-22 and Proposed Budget for Fiscal Year 2022-23.

General Fund Key Revenue Sources. The major general fund revenue sources of the City (collectively, the "**Key Revenue Sources**") in Fiscal Year 2022-23 were: Transient Occupancy Tax (approximately 34% of total general fund revenues), Sales Tax (approximately 22% of total general fund revenue), and Property Tax (approximately 19% of total general fund revenue).

The following table sets forth the audited revenues received by the City for the total of Key Revenue Sources and total of Other General Fund Revenue Sources for Fiscal Years 2019-20 through 2021-22.

TABLE 2
City of South Lake Tahoe
General Fund Revenues by Revenue Source
Fiscal Years 2019-20 through 2021-22

	Audited 2019-20		Audited 2020-21		Audited 2021-22	
Category	**Revenues**	**% of Total**	**Revenues**	**% of Total**	**Revenues**	**% of Total**
Property tax	$8,632,710	19%	$9,135,477	18%	$9,679,822	19%
Transient Occupancy Tax	9,538,728	20	11,166,045	22	10,623,784	20
Transient Occupancy Tax (Redevelopment area)(2)	4,982,523	11	5,952,873	12	7,463,579	14
Sales Tax (Bradley Burns)	5,460,038	12	7,152,233	14	7,268,696	14
Measure Q (Local Sales Tax)	2,915,365	6	3,695,854	7	3,933,402	8
Vehicle License Fees	2,284,264	5	2,409,143	5	2,534,976	5
Franchise Tax	1,593,143	3	1,627,041	3	1,863,814	4
Business License Tax	1,694,822	4	1,717,401	3	1,874,296	4
Recreation	380,845	1	272,917	1	654,279	1
Public Safety	1,842,947	4	2,608,954	5	2,551,589	5
Public Services	2,664,320	5	2,331,402	5	2,381,131	5
Transfers In	2,926,445	6	966,568	2	806,031	2
All Other Revenue	1,683,398	4	1,115,338	2	539,506	1
Total Revenues(1)	**$46,599,548**	**100%**	**$50,151,246**	**100%**	**$52,174,904**	**100%**

(1) Totals may not add due to rounding. Excludes 2% TOT Revenues (Measure P), which is dedicated for the Multigenerational Center Project and is accounted for in a special revenue fund, not the General Fund. For Fiscal Years 2019-20, 2020-21 and 2021-22, Measure P revenues were $2,764,825, and $3,234,866, and $3,424,163 respectively. Also excludes Measure S (local sales tax) general revenue accounted for in a separate special revenue fund, not the General Fund. For Fiscal Years 2020-21 and 2021-22 Measure S Sales Tax revenues were $3,207,042 and $7,746,452 respectively,

(2) The TOT generated in the Project Area is pledged to pay bonds issued by the Successor Agency to the South Tahoe Redevelopment Agency, only the portion of these funds in excess of net debt service not otherwise paid by tax increment is available to the General Fund. See notes 15 and 16 to *audited financial statements in Appendix A.*

Source: City of South Lake Tahoe audited financial statements 2019-20 through 2021-22.

Transient Occupancy Tax

General. Transient occupancy tax ("**TOT**") revenues are typically the largest source of General Fund revenues to the City. The City collects TOT from visitors staying for 30 days or less in a lodging facility, including vacation home rentals ("**VHRs**"). The City TOT rate is 12% citywide and 14% on certain specific redevelopment properties. This includes the additional 2% TOT approved by City voters in November 2016 (Measure P) is dedicated for the Multigenerational Center Project, which is accounted for in a special revenue fund, not the General Fund. Measure P does not have a sunset date.

The City currently collects TOT revenues from 120 hotels/motels, 33 property management companies, and over 100 vacation homes rented by individual property owners or agents. Following the passage of Measure T in 2018 (described below), the TOT revenues from

VHRs were projected to significantly decline. For Fiscal Year 2020-21, 611,570 guestrooms were rented, which includes both hotel guestrooms, plus private homes used as VHRs.

TOT revenues have seasonal characteristics and also tend to be volatile and subject to economic conditions and weather, including closure of Highway 50, which is the main route into the City. A lack of snow, for example, could significantly reduce the number of visitors to the City, and public health emergencies, like COVID-19, could shut down lodging industry completely for several months.

Despite the volatility, tourism continues to be a primary economic driver for the City. In most recent fiscal years since Fiscal Year 2013-14, TOT has been the top source of revenue for the General Fund. In spite of several months of health-mandated shutdown in 2020 and continued uncertainty thereafter this revenue source was not as significantly impacted as was originally expected in the budget projections. Actual TOT outperformed Property Tax revenue in 2019-20 and again in 2020-21. As the hospitality industry surged back up as soon as operational restrictions were lifted. Measure T (see the subheading below "Measure T (2018)") has not materially adversely impacted the TOT revenues received by the City – it has simply changed the types of lodging facilities contributing to TOT revenues (away from VHRs and more toward hotels).

Historical TOT Tax Revenues. The following table shows the TOT revenues to the City for the full Fiscal Years 2015-16 through 2021-22, and a portion of Fiscal Year 2022-23.

TABLE 3
City of South Lake Tahoe
Transient Occupancy Tax Revenues
Full Fiscal Years 2015-16 through 2021-22
and Partial Year 2022-23 (1)

Fiscal Year	TOT Collections
2015-16	$15,547,499
2016-17	16,599,913
2017-18	17,418,474
2018-19	18,120,866
2019-20	14,445,023
2020-21	16,919,132
2021-22	18,014,305
2022-23 (as of June 2023)	8,777,540

(1) Includes both City and Successor Agency to the South Tahoe Redevelopment Agency shares of the TOT; the TOT generated in the Project Area is pledged to pay bonds issued by the Successor Agency, only the portion of these funds in excess of net debt service not otherwise paid by tax increment is available to the General Fund. See notes 15 and 16 to *audited financial statements in Appendix A.* Excludes Measure P TOT accounted for in a separate special revenue fund. 2022-23 TOT collections to date are through May, 2023 or 7 months into fiscal year. Excludes TOT audits amounting to $120K on average annually.

Source: City of South Lake Tahoe

Top Ten Payers of TOT. The following table shows the top payers of TOT to the City in Fiscal Year 2021-22.

TABLE 4
City of South Lake Tahoe
Top Payers of Transient Occupancy Tax
Fiscal Year 2021-22

No.	TOT Payer	Type	FY 2021-22 Taxable Rents	% of Total Taxable Rents[(2)]
1	Lake Tahoe Resort Hotel	Hotel	$13,862,222	10.4%
2	Marriott's Timber Lodge	Hotel	11,578,731	8.7
3	Marriott's Grand Residence Club	Hotel	10,015,299	7.5
4	The Landing Resort and Spa	Hotel	8,547,012	6.4
5	Beach Retreat & Lodge at Tahoe	Hotel	8,542,357	6.4
6	Diamond Resorts Management, Inc.	Agent	6,132,099	4.6
7	Forest Suites Resort	Hotel	5,934,686	4.5
8	Hotel Azure	Hotel	5,131,505	3.9
9	Hotel Becket	Hotel	4,695,606	3.5
10	Quality Inn	Hotel	3,613,438	2.7
	Totals		**$78,052,956**	**58.8%**

(1) TOT rate is 12% except specific redevelopment properties where the rate is 14%. Including an additional 2% TOT approved by voters of South Lake Tahoe in November 2016 (Measure P) dedicated for the Multigenerational Center Project and accounted for in a special revenue fund.
(2) 2021-22 Total Taxable Rents: $132,743,142.
Source: City of South Lake Tahoe Revenue Division.

Measure T (2018). Measure T was a citizen-initiated ballot measure that amended City regulations on VHRs, approved by the voters in the City on November 6, 2018. Measure T required the phase-out of all VHR permits in residential areas and for all multi-family properties Citywide over a three-year period, beginning on December 20, 2018 with full implementation of these provisions completed by December 31, 2021.

Measure T has prohibited the issuance of new VHR permits or renewal of expired permits in residential areas or for multifamily properties anywhere in the City. Since December 20, 2018 properties which had been previously issued VHR permits in residential zones or multi-family properties, regardless of location, automatically expired on the last day of the month for which a VHR permit would otherwise have been eligible for renewal. For example, if a permit had an annual renewal date in May, the VHR permit expired on May 31, 2021. By the end of December 2021, all VHR permits in residential areas and all multi-family VHR permits expired.

Measure T does not affect existing or future VHR permits in non-residential areas of the City (i.e., tourist core, commercial, and recreation zones), except for multi-family properties, for which VHR permits are no longer allowed anywhere in the City. Permits, in compliance with City regulations, will continue to be issued in non-residential areas. In addition, Measure T allows for properties within a residential zone, whose owner is a permanent resident of the City, to vacation rent the entire dwelling for up to 30 (consecutive or non-consecutive) days total per one-year permit period. A Qualified Vacation Home Rental Permit application and proof of a primary residence property tax exemption is required. On November 17, 2020, the City Council adopted a hosted rental ordinance establishing regulations allowing a qualified homeowner or tenant to rent a portion of their home.

Litigation Related to Measure T. A group called the South Lake Tahoe Property Owners Group challenged Measure T in a lawsuit filed in December 2018, arguing that Measure T violates constitutional rights of property owners. On September 29, 2020, the court issued an order finding most of the constitutional claims to be without merit and eliminating most of the issues from the case. The South Lake Tahoe Property Owners Group has appealed the trial court's order and also requested that the Court of Appeal issue a stay of Measure T while the appeal is pending. The court of appeal denied the request for a stay on April 7, 2021. Thus, the City has continued to implement the requirements of Measure T, including the non-renewal of VHR permits in residential areas as described above. The court of appeal issued a decision on June 20, 2023, substantially upholding Measure T and remanding a narrow issue to the trial court. Both parties have filed petitions for rehearing related to the remanded issue, but Measure T is anticipated to continue to be substantially upheld irrespective of the outcome of those petitions.

Sales and Use Taxes

Sales & Use Taxes typically represents the second largest source of tax revenues to the City's General Fund. Like Transient Occupancy Taxes, Sales & Uses Taxes can be a less stable source of revenues to the City, given that they are based on consumer spending within the City which is impacted by a variety of factors including the overall economy and other factors.

Measure Q (2004). In November 2004, voters in the City approved ballot Measure Q, a 0.5% transactions and use tax that went into effect on April 1, 2005. There is no sunset date for Measure Q. In 2021-22, Measure Q revenue generated nearly $3.9 million, representing 7% of total General Fund revenues. For 2022-23, Measure Q revenues have been budgeted at $3.5 million, up from the $3.2 million Fiscal Year 2021-22 budget estimate.

Measure S (2020). In November 2020, voters in the City approved ballot Measure S, an additional 1.0% transactions and use tax that went into effect on April 1, 2021, with no sunset date. Measure S Sales tax revenue is budgeted in a separate fund. In 2021-22, Measure S revenue generated over $7.7 million. For 2022-23, this revenue has been budgeted at approximately $7.0 million.

State-Wide Sales Tax Law. Taxable transactions in the City are currently subject to the following sales and use tax, of which the City's share is only a portion. The City collects a percentage of taxable sales in the City (minus certain administrative costs) pursuant to the Bradley-Burns Uniform Local Sales and Use Tax (the "**Sales Tax Law**"). The State collects and administers the sales tax under the Sales Tax Law, and makes distributions on taxes collected within the City, as shown in the following table.

TABLE 5
City of South Lake Tahoe
Sales Tax Rate

Statewide Rate (includes City share)	7.25%
City Transactions and Use Tax (Measure Q)	0.50
City Transactions and Use Tax (Measure S)	1.00
Total	**8.75%**

Source: California Department of Tax and Fee Administration (CDTFA).

Sales and use taxes are complementary taxes; when one applies, the other does not. In general, the statewide sales tax applies to gross receipts of retailers from the sale of tangible

personal property in the State. The use tax is imposed on the purchase, for storage, use or other consumption in the State of tangible personal property from any retailer. The use tax generally applies to purchases of personal property from a retailer outside the State where the use will occur within the State. The sales tax is imposed upon the same transactions and items as the statewide sales tax and the statewide use tax.

Certain transactions are exempt from the State sales tax, including sales of the following products:

- food products for home consumption;
- prescription medicine;
- newspapers and periodicals;
- edible livestock and their feed;
- seed and fertilizer used in raising food for human consumption; and
- gas, electricity and water when delivered to consumers through mains, lines and pipes.

This is not an exhaustive list of exempt transactions. A comprehensive list can be found in the State Board of Equalization's Publication No. 61 (February 2017) entitled "Sales and Use Taxes: Exemptions and Exclusions," which can be found on the State Board of Equalization's website at http://www.boe.ca.gov/. *The reference to this Internet website is provided for reference and convenience only. The information contained within the website may not be current, has not been reviewed by the City and is not incorporated in this Official Statement by reference.*

Sales Tax Collection Procedures. Collection of the sales and use tax is administered by the California Department of Tax and Fee Administration (the "**CDTFA**"). This process was formerly administered by the State Board of Equalization. The Taxpayer Transparency and Fairness Act of 2017, which took effect July 1, 2017, restructured the State Board of Equalization and separated its functions among three separate entities: the State Board of Equalization, the CDTFA and the Office of Tax Appeals. The State Board of Equalization will continue to perform the duties assigned to it by the State Constitution, while all other duties will be transferred to the newly established CDTFA and the Office of Tax Appeals. CDTFA will handle most of the taxes and fees previously collected by the State Board of Equalization, including sales and use tax.

Under the Sales and Use Tax Law, all sales and use taxes collected by the CDTFA under a contract with any city, city and county, or county are required to be transmitted by the CDTFA to such city, city and county, or county periodically as promptly as feasible. These transmittals are required to be made at least twice in each calendar quarter.

Under its procedures, the CDTFA projects receipts of the sales and use tax on a quarterly basis and remits an advance of the receipts of the sales and use tax to the City on a monthly basis. The amount of each monthly advance is based upon the CDTFA's quarterly projection. During the last month of each quarter, the CDTFA adjusts the amount remitted to reflect the actual receipts of the sales and use tax for the previous quarter.

The CDTFA receives an administrative fee based on the cost of services provided by the Board to the City in administering the City's sales tax, which is deducted from revenue generated by the sales and use tax before it is distributed to the City.

As part of the State government's response to the COVID-19 pandemic, certain businesses were able to defer the payment of their sales taxes due to the City.

Historic Taxable Transactions. The following table shows historical taxable transactions in the City for the most recent five years available.

TABLE 6
City of South Lake Tahoe
Taxable Transactions
Fiscal Years 2018 through 2022

	2018	2019	2020	2021	2022
Motor Vehicle and Parts Dealers	$20,507	$20,654	$22,300	$25,451	$28,875
Home Furnishings and Appliances	8,091	5,755	4,199	4,044	4,700
Building Materials	23,764	24,104	24,600	24,557	27,752
Food and beverage stores	71,817	56,570	63,143	61,775	61,674
Gasoline stations	27,486	40,912	29,701	36,654	42,577
Apparel stores	33,992	34,904	30,352	40,707	41,554
General merchandise stores	9,259	7,541	6,982	6,739	55,425
Food services and drinking places	130,781	136,687	115,077	142,501	168,580
Other retail stores	45,778	53,446	60,851	75,524	74,976
All other outlets	72,550	73,332	61,410	72,706	87,669
Total All Outlets	**$444,026**	**$453,905**	**$418,616**	**$492,679**	**$595,804**

Source: California Department of Tax and Fee Administration (CDTFA).

Property Taxes

Property Taxes typically represents the third-largest source of taxes to the City's General Fund. Property taxes represent a very stable source of revenue to the City, and are based in large part on assessed valuations of property located in the City.

Property Tax Delinquencies; Teeter Plan. Certain counties in the State of California, including El Dorado, offer a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County includes the City's property tax collections in its Teeter Plan. Consequently, the City's receipt of property taxes is equal to 100% of the amount levied. There is no assurance that the County will continue the Teeter Plan or that the City will continue to participate in the Teeter Plan. Delinquencies in the payment of property taxes could have an adverse effect on the ability of the City to make Base Rental should the County discontinue the Teeter Plan or the City withdraw from or not be able to continue in the Teeter Plan.

General Method of Property Tax Calculations. Proposition 13, passed in 1978, established the current property tax regime for local agencies, including the City, throughout the State. Under Proposition 13, subject to voter-approved debt and certain other exceptions, the base property tax rate on a parcel is limited to 1% of its assessed value and the property tax collected by this 1% County-wide rate is shared by the local agencies eligible to receive property taxes within the applicable County pursuant to applicable State law. Under Proposition 13, the 1975-76 fiscal year serves as the original base year used in determining the assessment for real property. Thereafter, annual increases to the base year value are limited to the inflation rate, as measured by the California Consumer Price Index, or 2%, whichever is less. A new base year

value, however, is also established whenever a property, or portion thereof, has had a change in ownership or has been newly constructed. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIIIA of the State Constitution" for additional information.

Proposition 8, enacted in 1978, allows for a temporary reduction in assessed value when a property suffers a "decline-in-value." As of the January 1st (lien date) each year, the Assessor must enroll either a property's Proposition 13 value (adjusted annually for inflation by no more than 2%) or its current market value, whichever is less. When the current market value replaces the higher Proposition 13 value, the lower value is commonly referred to as a "Proposition 8 Value." "Proposition 8 values" are temporary and, once enrolled, must be reviewed annually by the assessor until the Proposition 13 adjusted base year value is enrolled.

Levy and Collection of Property Taxes. Property taxes are levied for each fiscal year on taxable real and personal property as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property the taxes on which have a viable tax lien, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. Property on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and may be sold at public auction.

Property taxes on the unsecured roll are due as of the January 1 lien dates and become delinquent on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1% attaches to them on the first day of each month until paid. The County has four ways of collecting delinquent unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a judgment in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

Beginning in 1978-79, Proposition 13 and its implementing legislation shifted the function of property tax allocation to the counties, except for levies to support prior voted debt, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

Historical Assessed Valuations. The table below presents the assessed valuation of taxable property in the City for Fiscal Year 2012-13 through 2022-23.

TABLE 7
City of South Lake Tahoe
Assessed Valuations of All Taxable Property
Fiscal Years 2012-13 through 2022-23

Fiscal Year	Local Secured	Unsecured	Total	% Change
2012-13	$3,686,469,851	488,299,118	$3,774,768,969	--%
2013-14	3,719,613,139	94,426,393	3,814,039,532	1.0
2014-15	3,826,850,451	93,750,130	3,920,600,581	2.8
2015-16	4,012,840,871	90,397,095	4,088,193,301	4.3
2016-17	4,195,441,787	91,432,001	4,286,873,788	4.9
2017-18	4,466,533,482	94,195,752	4,560,729,234	6.4
2018-19	4,768,126,346	114,917,413	4,883,043,759	7.1
2019-20	4,993,100,046	116,098,828	5,109,198,874	4.6
2020-21	5,270,054,725	124,077,949	5,394,132,674	5.6
2021-22	5,522,533,805	131,594,675	5,654,128,480	4.8
2022-23	5,985,912,071	154,343,549	6,140,255,620	8.6

Source: California Municipal Statistics Inc.

[Remainder of Page Intentionally Left Blank]

Assessed Valuations and Parcels by Land Use. The following table shows secured assessed valuations and parcels by land use for Fiscal Year 2022-23. As shown in the table, there are approximately 12,383 residential parcels in the City, representing over 78% of the assessed valuation in the City.

TABLE 8
City of South Lake Tahoe
Secured Assessed Valuation and Parcels by Land Use
Fiscal Year 2022-23

Non-Residential:	2022-23 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total
Commercial/Office	$ 439,525,458	7.34%	255	0.58%
Vacant Commercial	16,064,304	0.27	100	0.23
Resort-Timeshare	237,776,833	3.97	30,405	69.69
Hotel/Motel	375,710,477	6.28	120	0.28
Industrial	150,860,584	2.52	194	0.44
Vacant Industrial	3,045,838	0.05	30	0.07
Recreational	83,964,837	1.40	55	0.13
Government/Social/Institutional	2,412,612	0.04	90	0.21
Subtotal Non-Residential	$1,309,360,943	21.87%	31,249	71.62%
Residential:				
Single Family Residence	$4,112,787,319	68.71%	9,853	22.58%
Mobile Home	8,172,565	0.14	284	0.65
Mobile Home Park	40,200,769	0.67	17	0.04
2-3 Residential Units	259,711,469	4.34	860	1.97
4+ Residential Units/Apartments	195,200,640	3.26	299	0.69
Miscellaneous Residential Improvements	4,617,824	0.08	60	0.14
Vacant Residential	55,860,542	0.93	1,010	2.31
Subtotal Residential	$4,676,551,128	78.13%	12,383	28.38%
Total	$5,985,912,071	100.00%	43,632	100.00%

(1) Local Secured Assessed Valuation, excluding tax exempt property.
Source: California Municipal Statistics, Inc.

[Remainder of Page Intentionally Left Blank]

Principal Property Taxpayers. The top twenty largest local secured property taxpayers in the City, as shown on the 2022-23 secured tax roll, listed in the table below, accounted for less than 10% of the total City Fiscal Year 2022-23 assessed valuation.

TABLE 9
City of South Lake Tahoe
Principal Property Taxpayers (Secured Roll)
Fiscal Year 2022-23

	Property Owner	Primary Land Use	2022-23 Assessed Valuation	% of Total [1]
1.	Sodalite Tahoe Hotel LLC	Hotel	$ 88,555,000	1.48%
2.	First American Trust FSB	Resort/Timeshare	75,300,711	1.26
3.	Tahoe Chateau Land Holding LLC	Planned Residential Development	44,106,934	0.74
4.	Trans Sierra Investments	Shopping Center	43,509,472	0.73
5.	Diamondrock Tahoe Owner LLC	Hotel	35,586,829	0.59
6.	Imperium Blue Tahoe Holdings LLC	Commercial	33,000,000	0.55
7.	Gondola Vista Development Company LLC	Residential Properties	29,913,981	0.50
8.	LCOF Lake Tahoe Invest LLC	Hotel	28,586,072	0.48
9.	Tahoe Crescent LLC	Commercial	27,498,277	0.46
10.	Heavenly Valley LP	Ski Resort	25,426,856	0.42
11.	South Tahoe Refuse Co.	Industrial	21,401,198	0.36
12.	Tahoe Verde LLC	Mobile Home Park	19,873,248	0.33
13.	Azure Tahoe Resorts LLC	Hotel	19,434,450	0.32
14.	Kuldeep Singh & Deepak Mand	Hotel	17,782,190	0.30
15.	Tahoe Keys SMI LLC	Marina	16,650,000	0.28
16.	Marriott Ownership Resorts Inc.	Resort/Timeshare	16,346,368	0.27
17.	Sierra Vista Evergreen SPE LLC	Apartments	16,134,052	0.27
18.	Second Bay Holdings Tahoe LLC	Commercial	15,252,393	0.25
19.	Seven Springs LP	Commercial	15,000,000	0.25
20.	Rialto Stanton Tahoe LP	Commercial	13,723,031	0.23
			$603,081,062	10.08%

[1] 2022-23 Local Secured Assessed Valuation: $5,985,912,071
Source: California Municipal Statistics, Inc.

[Remainder of Page Intentionally Left Blank]

Other Sources of Revenues

Franchise Fees. The City collects franchise fees for the use of streets and rights-of-way from a number of utility services provided by private parties including natural gas, cable services, and electricity. Solid waste collection services are provided by a contracted private party that also pays a franchise fee to the City. Franchise fee revenue is budgeted at $1.5 million representing 2.8% of total General Fund revenues in the 2021-22 budget, an increase of 4.4% to the prior year total budget.

Vehicle License Fees. Vehicle license fees ("**VLF**") are paid on the ownership of a registered motor vehicle in place of taxing vehicles as personal property. This fee is paid annually upon vehicle registration in addition to other fees such as the registration fee, air quality fees and commercial vehicle weight fees that fund state programs. In 2004, the State of California permanently reduced the VLF from 2% to 0.65% and entered into an arrangement with cities and counties to backfill the amount of the fee eliminated with property taxes. Thus, the growth or decline in VLF is also tied to the growth or decline in property taxes.

Business and Professions Tax. The City charges a Business and Professions tax on persons or entities conducting business within the City. The tax is based on the gross receipts of the business. Business taxes for 2021-22 are budgeted at $1.6 million, or 3.0% of total General Fund revenues. This amount represents an increase in business tax revenues of 17.1% over the prior years budget due to COVID-19 business closures and reduced gross receipts in the previous fiscal year. Business tax revenues are expected to increase at a rate of 1.0% annually thereafter.

Financial Statements

The City's accounting policies conform to generally accepted accounting principles and reporting standards set forth by the State Controller. The audited financial statements also conform to the principles and standards for public financial reporting established by GASB.

Basis of Accounting and Financial Statement Presentation. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Audited Financial Statements. Set forth in the following tables is the City's General Fund balance sheets and statements of revenues, expenditures and changes in General Fund Balance for fiscal years 2017-18 through 2021-22, which are based on the City's audited financial statements. The balance sheets and statements presented in this Official Statement are subject to the various notes attached to the City's financial statements for the respective years. The City's Annual Comprehensive Financial Report ("**ACFR**") for Fiscal Year 2021-22, including the City's audited financial statements, is set forth in APPENDIX A.

General Fund Historical Financial Data

The following Tables 10 and 11 provide a five-year history of (i) the City's General Fund revenues, expenditures, and changes in fund balances for Fiscal Years 2017-18 through 2021-22 and (ii) the City's Comparative Balance Sheet for Fiscal Years 2017-18 through 2021-22.

TABLE 10
City of South Lake Tahoe
Statements of Revenues, Expenditures and Changes in General Fund Balance
Fiscal Years 2017-18 through 2021-22[1]

	2017-18	2018-19	2019-20	2020-21	2021-22
Revenues					
Taxes and assessments	$36,288,798	$37,011,629	$33,662,711	$42,597,200	$49,181,475
Licenses, permits and impact fees	1,718,645	1,786,359	1,728,392	1,763,093	1,958,895
Fines and penalties	130,204	85,963	78,433	96,556	110,316
Use of money and property	542,840	777,230	442,873	105,111	(336,382)
Intergovernmental revenue	2,355,954	2,475,758	3,385,405	3,393,370	3,907,412
Charges for current services	4,130,233	3,850,649	3,852,064	3,281,080	4,746,121
Other revenue	285,999	1,609,464	404,246	658,085	607,457
Loss on investment in land held for resale	(2,157,647)	--	--	--	--
Total Revenues[2]	**43,295,026**	**47,597,052**	**43,554,124**	**51,894,495**	**60,175,294**
Expenditures					
Current:					
General Government	10,910,495	9,335,325	9,428,305	9,753,308	11,059,117
Public safety	15,571,856	18,199,843	18,315,577	19,921,546	20,953,955
Public works	5,675,760	6,339,496	6,294,092	5,850,205	5,562,599
Parks and recreation	1,751,749	1,913,163	1,531,608	1,438,655	2,741,425
Capital outlay	236,414	75,475	702,997	231,032	348,254
Debt Service:					
Principal	--	--	--	--	--
Interest and fiscal charges	--	--	--	--	--
Total expenditures	**34,146,274**	**35,863,302**	**36,272,579**	**37,194,746**	**40,665,350**
Excess (deficiency) revs over (under) expds	9,148,752	11,733,750	7,281,545	14,699,749	19,509,944
Other financing sources(uses)					
Sale of property	--	--	--	--	--
Transfers in	343,493	94,070	2,875,293	372,846	202,302
Transfers out[3][4] [5]	(9,820,181)	(17,815,033)	(6,554,584)	(10,859,767)	(18,475,345)
Proceeds from sale of capital assets	--	--	--	41	524
Total other financing sources	**(9,476,688)**	**(17,720,963)**	**(3,679,291)**	**(10,486,880)**	**(18,272,519)**
Net Change in fund balances	**(327,936)**	**(5,987,213)**	**3,602,254**	**4,212,869**	**1,237,425**
Beginning of year	**31,136,430**	**30,808,494**	**24,821,281**	**28,423,535**	**33,384,636[6]**
End of year	**$30,808,494**	**$24,821,281**	**$28,423,535**	**$32,636,404**	**$34,622,061**

(1) This table includes the City's primary General Fund, Measure S Sales Tax general fund and certain other minor funds consolidated with the General Fund for financial statements presentation purposes. Measure S Sales Tax went into effect on April 1, 2021.

(2) Excludes 2% TOT Revenues (Measure P), which is dedicated for the Multigenerational Center Project and is accounted for in a special revenue fund, not the General Fund. For Fiscal Years 2017-18 through 2021-22, Measure P revenues were $3,307,933, $3,435,411, $2,764,825, $3,234,866 and $3,424,163, respectively.

(3) Transfers out consist of transfers from the General Fund to other City funds. The City typically transfers annually approximately $4 million to debt service funds, between $1 to $2 million annually to the streets and snow removal funds, and smaller amounts annually to the airport, storm water management program and long-term capital improvement funds, as well as other funds.

(4) Large transfers out in 2018-19 included several one-time amounts, including approximately $5 million to the capital improvement funds, $4 million to debt service fund (compared to typical $3 million) to pay-off certain then-outstanding capital lease obligations, $3 million for the purchase of four pieces of snow removal equipment, and $1.8 million for fire apparatuses.

(5) The increase in Transfers Out in 2021-22 is due to an additional $8.6 million transfer to the long-term capital improvement fund and $1m to vehicle replacement funds from a new dedicated revenue source, Measure S Sales Tax, that took full effect in 2021-22.

(6) Beginning Fund Balance was restated for Fiscal Year 2021-22 to recognize fiscal year 2021 sales tax revenues of $748,232 collected in fiscal year 2022.

Source: City of South Lake Tahoe audited financial statements for fiscal years 2017-18 through 2021-22.

TABLE 11
City of South Lake Tahoe
General Fund Balance Sheets
Fiscal Years 2017-18 through 2021-22

	2017-18	2018-19	2019-20	2020-21	2021-22
Assets					
Cash and investments	$24,695,057	$17,636,497	$20,471,033	$25,657,208	$28,661,611
Accounts receivables - net	3,755,830	3,683,783	4,479,512	3,732,545	6,930,189
Interest receivable	232,007	310,118	116,516	42,555	245,057
Due from other funds	156,412	288,753	63,840	481,513	414,126
Prepaid items	138,389	121,406	137,094	114,910	140,036
Inventory	222,455	211,010	230,159	238,298	253,071
Land hand for resale	1,000,000	1,000,000	1,225,000	1,225,000	1,225,000
Loans receivable	--	--	--	382,361	--
Advance to RDA successor agency	4,638,627	4,638,627	4,638,627	4,638,627	4,638,627
Total Assets	**34,838,777**	**27,890,194**	**31,361,781**	**36,513,017**	**42,507,717**
Liabilities					
Accounts payable	1,479,061	968,762	961,483	1,334,556	1,389,033
Accrued expenditures	987,781	548,453	366,439	253,890	1,157,989
Deposits	1,449,002	1,403,299	1,385,122	1,733,268	1,980,555
Due to developers	114,439	148,399	225,202	465,255	513,414
Unearned revenue	--	--	--	89,644	2,844,665
Total Liabilities	**4,030,283**	**3,068,913**	**2,938,246**	**3,876,613**	**7,885,656**
Fund Balances					
Nonspendable	5,999,471	5,971,043	6,230,880	6,216,835	6,256,734
Restricted	750,000	750,000	750,000	750,000	--
Committed	--	--	--	--	500,000
Assigned	448,767	607,125	350,876	788,610	--
Unassigned	23,610,256	17,493,113	21,091,779	24,880,959	27,865,327
Total Fund Balance	**30,808,494**	**24,821,281**	**28,423,535**	**32,636,404**	**34,622,061**
Total Liabilities & Fund Balance	**$34,838,777**	**$27,890,194**	**$31,361,781**	**$36,513,017**	**$42,507,717**

Source: City of South Lake Tahoe audited Financial Statements for fiscal years 2017-18 through 2021-22.

Relevant Fiscal Policies

The City has adopted a comprehensive set of fiscal policies to provide guidance for all fiscal activities and resource allocation decisions as defined in the Adopted Budget. The policies set forth guidelines for both current activities and long-range planning. In addition, the City Council approved or adopted several other fiscal policies including:

- Investment Policy.
- Debt Management Policy.
- Reserve Policy

The following are certain highlighted aspects of the adopted policies.

Investment Policy. The City manages its temporarily pooled idle cash investments under the prudent person rule. To afford the City a broad spectrum of investment opportunities as long

as the investment is deemed prudent and is allowable under current legislation of the State of California (Government Code § 53600. et. seq.). Investments are selected based in order of priority on: (i) safety, (ii) liquidity and (iii) yield.

Debt Management Policy. The City's Debt Management Policy provides operating guidelines for all major debt transactions of the City and related entities. The City manages its debt to ensure high credit quality, access to credit markets and financial flexibility. Debt is issued only in those cases where public policy, equity and economic efficiency favor debt over cash financing. Whenever possible, the debt shall be self-supporting. Debt is used primarily to finance long-term capital projects, paying for facilities or equipment over their useful lives and concurrent with the stream of benefits from these facilities. The City maintains a central system for all debt-related records adheres to all continuing disclosure requirements, and strives to maintain positive relationships with members of the investment community.

Reserve Policy. The City's Reserve Policy requires that the City strive to maintain an Unassigned General Fund balance, of twenty-five percent (25%) of budgeted General Fund operating expenditures. The reserve represents one-time revenues available to provide temporary financing for extraordinary cash needs such as costs related to a natural disaster, an economic recession, or an unexpected liability. Funds may be appropriated from this operations reserve upon demonstration to the City Council that the remaining balance is sufficient to offset potential downturns in revenue sources and to provide adequate cash for daily financial needs. Funds must be allocated each year in the budget process to replace any use of the reserve during the preceding fiscal year. To the extent that funds accumulate in excess of the required reserve, these one-time funds may be transferred to the Capital Projects Fund upon completion of the annual audit.

Risk Management. The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates The City is a member of the California Intergovernmental Risk Authority ("**CIRA**") (formerly Public Agency Risk Sharing Authority of California (PARSAC)), a joint powers authority which provides annual general liability coverage up to $35,000,000 in the aggregate. The City retains the risk for the first $250,000 in general liability claims.

The City is a member of Local Agency Workers' Compensation Excess Joint Powers Authority ("**LAWCX**"), which provides workers' compensation insurance coverage up to $45,000,000. The City retains the risk of the first $500,000 in losses for each accident and employee under this policy.

CIRA and LAWCX were established for the purpose of providing general liability and excess workers' compensation protection for their members. Each entity is governed by a board consisting of representatives from member municipalities. The board controls the operations of each entity, including selection of management and approval of the annual budget.

The City is part of the public entity pool comprised of approximately fifty California cities and one fire district. CIRA is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of CIRA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The City pays an annual premium to CIRA for its general liability and property coverage.

See Note 11 to the City's audited financial statements (included as APPENDIX A) for additional details regarding the City's Risk Management.

Employee Retirement System; CalPERS

*This caption contains certain information relating to California Public Employees' Retirement System ("**CalPERS**"). The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The City has not independently verified the information provided by CalPERS and makes no representations and expresses no opinion as to the accuracy of the information provided by CalPERS.*

The comprehensive annual financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference in this Official Statement. None of the Authority, City or Underwriter can guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

General Information about the Pension Plans. Substantially all full-time City employees are eligible to participate in pension plans offered by CalPERS. The City's employees participate in separate Safety (police and fire) or Miscellaneous (all other) Employee Plans. Additional information about CalPERS and its Plans can be obtained directly from CalPERS.

PEPRA. On September 12, 2012, the California Governor signed AB 340, a bill that enacted the California Public Employees' Pension Reform Act of 2012 ("**PEPRA**") and that also amended various sections of the California Education and Government Codes, including the County Employees Retirement Law of 1937. Effective January 1, 2013, PEPRA: (i) requires public retirement systems and their participating employers to share equally with employees the normal cost rate for such retirement systems; (ii) prohibits employers from paying employer paid member contributions to such retirement systems for employees hired after January 1, 2013; (iii) establishes a compulsory maximum non safety benefit formula of 2.5% at age 67; (iv) defines final compensation as the highest average annual pensionable compensation earned during a 36 month period; and (v) caps pensionable income at $110,100 ($132,120 for employees not enrolled in Social Security) subject to Consumer Price Index increases. Other provisions reduce the risk of the City incurring additional unfunded liabilities, including prohibiting retroactive benefits increases, generally prohibiting contribution holidays, and prohibiting purchases of additional non-qualified service credit.

Benefits Provided. The Plans' provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. All members are eligible for non-duty disability benefits after 10 years of service. Benefit provisions and all other requirements are established by State statute and may be amended by City contracts with employee bargaining groups.

The Miscellaneous Plans' provisions and benefits in effect at September 30, 2022 are summarized as follows:

Miscellaneous Plans

	Classic Miscellaneous	PEPRA Miscellaneous
Benefit Formula	2.0% @ 55 / 2.7% @ 55	2.0% @ 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Monthly Benefits, As a % of Eligible Comp	2.00% to 2.70%	2.00%
Required Employee Contribution Rates	7.00 - 8.00%	8.00%
Required Employer Contributions Rates:		
Oct 1, 2021 - June 30, 2022	10.670%	10.670%
July 1, 2022 - September 30, 2022	10.360%	10.360%

The Safety Plans' provisions and benefits in effect at September 30, 2022 are summarized as follows:

Safety Plan

	Classic Safety	PEPRA Safety
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50 - 55	57
Monthly Benefits, As a % of Eligible Comp	3.00%	2.70%

	Oct 1, 2021 - June 30, 2023	July 1, 2021 - Sept. 30, 2022
Required Employee Contribution Rates:		
Classic	9.000%	9.000%
PEPRA	13.750%	13.570%
Required Employer Contributions Rates:		
Classic:		
Police Tier 1	25.590%	25.640%
Police Tier 2	24.360%	24.360%
Police Tier 3	22.470%	22.480%
Fire Tier 1	25.590%	25.640%
Fire Tier 2	24.360%	24.360%
Fire Tier 3	22.470%	22.480%
PEPRA:		
Safety Police	13.980%	13.660%
Safety Fire	13.980%	13.660%

Source: City of South Lake Tahoe Audit Fiscal Year ended September 30, 2022.

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS' annual actuarial valuation process. Each employer rate plan's actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan's allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The City of South Lake Tahoe is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Total contributions made by the City to the Miscellaneous Plan during Fiscal Year 2022 were $4,010,750. Total contributions made by the City to the Safety Plan during Fiscal Year 2022 were $5,074,060.

Pension Expense and Net Pension Liability. For the measurement period ended June 30, 2022, the City recognized pension expense of $4,393,973 to the Miscellaneous Plan. For the year ended September 30, 2022, the City recognized a pension expense of $3,273,067 to the

Safety Plan. In addition, the City reported net pension liability, as of September 30, 2022, with respect to its Miscellaneous Plan of $40,250,897 and with respect to its Safety Plan of $50,633,357, respectively. See Note 10 to the City's audited financial statements (included as APPENDIX A) for additional details regarding the City's pensions plans.

Actions Taken by CalPERS Related to Discount Rate and Other Assumptions. In July 2021, CalPERS reported a preliminary 21.3% net return on investments for the 12-month period that ended June 30, 2021. Under the Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, the 21.3% net return will trigger a reduction in the discount rate used to calculate employer and PEPRA member contributions. The Funding Risk Mitigation Policy seeks to reduce CalPERS funding risk over time, in which CalPERS investment performance that significantly outperforms the discount rate will trigger adjustments to the discount rate, expected investment return, and strategic asset allocation targets. This is the first time it has been triggered, and the strategic asset allocation now includes more leverage in the CalPERS portfolio. The discount rate, or assumed rate of return, has dropped from 7.0% to 6.8%.

In November 2021, the CalPERS Board of Administration selected a new asset allocation mix that will guide the fund's investment portfolio for the next four years, while at the same time retaining the current 6.8% target it assumes those investments will earn over the long term. The board also approved adding 5% leverage to increase diversification. The decision concludes a nearly yearlong comprehensive review of the pension system's investment portfolio and actuarial liabilities. Known as the Asset Liability Management process (ALM), the board conducts the evaluation every four years. The ALM process included a review of demographic assumptions, including life expectancy, retirement and disability rates, and potential changes in job growth and salaries. The most recent findings show that life expectancies of healthy members at age 55 increased slightly from the last study in 2017. Notable changes for employers include a decrease in median total employer contribution rates, which includes both normal and unfunded actuarial liability costs, from less than 1% in miscellaneous plans to a decrease of more than 2% in some safety plans. Employees hired on or after January 1, 2013, following the implementation of the Public Employees' Pension Reform Act (PEPRA), also will be affected. Most PEPRA employees will see median increases ranging from 1.2% in miscellaneous plans to 1.5% in safety plans in their total normal cost.

No assurance can be given that the Board of Administration will not make further changes to the methods used to determine pension liability of CalPERS members, including the City.

In July 2022, the CalPERS announced a preliminary net return of -6.1% on investments for the 12-month period that ended June 30, 2022. Public agencies, including the City of South Lake Tahoe, will see the impacts of the -6.1% investment performance in their employer contribution rates for fiscal year 2024-25.

Deferred Compensation Plan. City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency defined by the plan. The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they are excluded from the City's financial statements.

General Fund Long-Term Obligations

The City generally incurs long-term debt to finance projects or purchase assets which have useful lives equal to or greater than the related debt. The following table shows the outstanding debt of the City payable from the General Fund as of September 30, 2022. See Note 7 to the City's audited financial statements for the fiscal year ending September 30, 2022 attached hereto as APPENDIX A for more information. Additionally, the City contemplates a fire station financing will take place in 2024 in an amount currently expected to be approximately $14,000,000.

TABLE 12
City of South Lake Tahoe
General Fund Long-Term Obligations
As of September 30, 2022

Series	Debt Type	Final Maturity	Initial Par	Outstanding Par
2012	General Fund COP	9/1/2042	$5,765,000	$4,710,000
2014	General Fund Lease	10/1/2029	2,110,000	1,242,000
2014	Pension Ob. Bonds	6/1/2027	6,950,000	6,950,000
2016A	General Fund Lease	10/1/2025	10,055,000	4,870,000
		Totals	**$24,880,000**	**$17,772,000**

Source: City of South Lake Tahoe.

2012 Certificates of Participation. On July 1, 2012, the City entered into an agreement with the South Tahoe Joint Powers Financing Authority for a lease amount of $5,765,000. Proceeds from the Certificates were used to finance street and other capital improvements within the City benefitting parks and recreation. Principal and interest payments are payable semi-annually on March 1 and September 1 of each year until 2042. The total principal remaining to be repaid on the loan as of September 30, 2022 was $4,555,000.

2014 Financing Lease. During the Fiscal Year 2013-14, the City entered into a lease agreement with STJPFA for a lease amount of $2,110,000 for road improvements. Principal and interest payments are payable semi-annually on April 1 and October 1 of each year until 2029, commencing October 1, 2014. The outstanding balance on the loan as of September 30, 2022 was $1,241,000.

2014 Taxable Pension Obligation Bonds. On December 1, 2014, the City issued $11,905,000 in Taxable Pension Obligation Bonds, Series 2014 to refund the outstanding "side fund" obligations of the City to CalPERS with respect to the City's Safety Plan. The City paid off its Safety Plan Side Fund balance (lump sum payment of $11,447,671 as of December 18, 2014) with proceeds of the bonds. The bonds bear interest rates ranging from 1.785 percent to 4.000 percent, payable on June 1 and December 1 of each year, commencing June 1, 2018 until maturity year of 2027. The total principal remaining on the bonds as of September 30, 2022 was $6,950,000.

Refunding Lease Revenue Bonds, 2016 Series A. On July 28, 2016, the South Tahoe Joint Powers Financing Authority issues the Refunding Lease Revenue Bonds 2016 Series A, in the amount of $10,055,000, the proceeds of which were used to refund the Lease Revenue Bonds, 2006 Series A. Interest on the Refunding Lease Revenue Bonds Series A is payable semi-annually on April 1 and October 1 of each year until 2025. Principal matures annually on

October 1. The total principal remaining to be repaid on the bonds as of September 30, 2022 was $4,870,000.

OVERLAPPING DEBT OF THE CITY

Direct and Overlapping Bonded Debt

Set forth on the following page is a direct and overlapping debt report for the City (the "**Debt Report**") prepared by California Municipal Statistics, Inc. and dated as of August 1, 2023. The Debt Report is included for general information purposes only. The City has not reviewed the Debt Report for completeness or accuracy and makes no representations in connection therewith. The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases long-term obligations issued by a public agency are payable from the general fund or other revenues of such public agency. The total 2021-22 assessed valuation of $5,654,128,480 reflected in the Debt Report is provided by California Municipal Statistics, Inc. Neither the City, the Authority nor the Underwriter has verified this information.

TABLE 13
City of South Lake Tahoe
Direct and Overlapping Debt Statement
(as of August 1, 2023)

2022-23 Assessed Valuation: $6,140,255,620

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 8/1/23
Lake Tahoe Community College District	65.230%	$26,587,748
Lake Tahoe Unified School District	65.230	36,841,194
South Lake Tahoe Recreational Facilities CFD No. 2000-1	73.084	1,713,717
South Tahoe Redevelopment Agency CFD No. 2001-1	100.	3,845,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$68,987,659
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
El Dorado County General Fund Obligations	15.074%	$ 8,176,891
City of South Lake Tahoe General Fund Obligations	**100.**	**9,351,000** (1)
City of South Lake Tahoe Pension Obligation Bonds	**100.**	**5,745,000**
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$23,272,891
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	100. %	$57,970,000
COMBINED TOTAL DEBT		$150,230,550 (2)

(1) Excludes issue to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2022-23 Assessed Valuation:
Total Overlapping Tax and Assessment Debt 1.12%
Total Direct Debt ($15,096,000) 0.25%
Combined Total Debt..... 2.45%

Ratios to Redevelopment Successor Agency Incremental Valuation ($596,155,474):
Total Overlapping Tax Increment Debt..... 9.72%

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

The constitutional and statutory provisions discussed in this section have the potential to affect the ability of the City to levy taxes and spend tax proceeds for operating and other purposes.

Article XIIIA of the State Constitution

Section 1(a) of Article XIIIA of the State Constitution limits the maximum ad valorem tax on real property to 1% of full cash value (as defined in Section 2 of Article XIIIA), to be collected by counties and apportioned according to law. Section 1(b) of Article XIIIA provides that the 1% limitation does not apply to ad valorem taxes to pay interest or redemption charges on (1) indebtedness approved by the voters prior to June 1, 1978 or (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after June 1, 1978, by two thirds of the votes cast by the voters voting on the Proposition. Section 2 of Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975–76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the State Legislature to implement Article XIIIA provides that notwithstanding any other law, local agencies may not levy any ad valorem property tax except to pay debt service on indebtedness approved by the voters as described above.

The voters of the State subsequently approved various measures that further amended Article XIIIA. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first $1,000,000 of the full cash value of other real property between parents and children, does not constitute a "purchase" or "change of ownership" triggering reassessment under Article XIIIA. This amendment could serve to reduce the property-tax revenues of the City. Other amendments permitted the State Legislature to allow persons over 55 or "severely disabled homeowners" who sell their residences and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence.

In the November 1990 election, the voters approved the amendment of Article XIIIA to permit the State Legislature to exclude from the definition of "newly constructed" the construction or installation of seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Article XIIIA has also been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, provided that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster.

Article XIIIB of the State Constitution

Article XIIIB of the State Constitution limits the annual appropriations of the State and of any city, county, school district, special district, authority or other political subdivision of the State to the appropriations limit for the prior Fiscal Year, as adjusted for changes in the cost of living, population and services for which the fiscal responsibility is shifted to or from the governmental

entity. The "base year" for establishing this appropriations limit is the 1978–79 Fiscal Year. The appropriations limit may also be adjusted in emergency circumstances, subject to limitations.

Appropriations of an entity of local government subject to Article XIIIB generally include authorizations to expend during a Fiscal Year the "proceeds of taxes" levied by or for the entity, exclusive of certain State subventions, refunds of taxes, and benefit payments from retirement, unemployment insurance and disability insurance funds. "Proceeds of taxes" include but are not limited to, all tax revenues, certain State subventions received by the local governmental entity and the proceeds to the local governmental entity from (1) regulatory licenses, user charges, and user fees (to the extent that such proceeds exceed the cost of providing the service or regulation) and (2) the investment of tax revenues. Article XIIIB provides that if a governmental entity's revenues in any year exceed the amounts permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Article XIIIB does not limit the appropriation of moneys to pay debt service on indebtedness existing or authorized as of January 1, 1979, or for bonded indebtedness approved thereafter by a vote of the electors of the issuing entity at an election held for that purpose, or appropriations for certain other limited purposes. Furthermore, Article XIIIB was amended in 1990 to exclude from the appropriations limit "all qualified capital outlay projects, as defined by the Legislature" from proceeds of taxes. The Legislature has defined "qualified capital outlay project" to mean a fixed asset (including land and construction) with a useful life of 10 or more years and a value which equals or exceeds $100,000. As a result of this amendment, the appropriations to pay the lease payments on the City's long term General Fund lease obligations are generally excluded from the City's appropriations limit. The City has never exceeded its appropriations limit.

Articles XIIIC and XIIID of the State Constitution

General. On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIIIC and XIIID to the California Constitution and contains a number of interrelated provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the "Supermajority Vote to Pass New Taxes and Fees Act." Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Articles XIIIA and XIIIC of the State Constitution. The amendments to Article XIIIA limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. The amendments to Article XIIIC define "taxes" that are subject to voter approval as "any levy, charge, or exaction of any kind imposed by a local government," with certain exceptions.

Taxes. Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City ("general taxes") require a majority vote; taxes for specific purposes ("special taxes"), even if deposited in the City's General Fund, require a two-thirds vote.

Property-Related Fees and Charges. Article XIIID also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional

special benefit conferred on a parcel, (ii) a requirement that assessments must confer a "special benefit," as defined in Article XIIID, over and above any general benefits conferred, (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

Reduction or Repeal of Taxes, Assessments, Fees and Charges. Article XIIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City's General Fund. If such repeal or reduction occurs, the City's ability to pay debt service on the Bonds could be adversely affected.

Burden of Proof. Article XIIIC provides that local government "bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity." Similarly, Article XIIID provides that in "any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance" with Article XIIID.

Judicial Interpretation of Proposition 218. The interpretation and application of Articles XIIIC and XIIID will ultimately be determined by the courts, and it is not possible at this time to predict with certainty the outcome of such determination.

Impact on City's General Fund. The City does not believe that any material source of General Fund revenue is subject to challenge under Proposition 218 or Proposition 26.

The approval requirements of Articles XIIIC and XIIID reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase the taxes, fees, charges or taxes in the future that it may need to meet increased expenditure needs.

Proposition 1A; Proposition 22

Proposition 1A. Proposition 1A, proposed by the Legislature in connection with the State's Fiscal Year 2004-05 Budget, approved by the voters in November 2004 and generally effective in Fiscal Year 2006-07, provided that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibited the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any Fiscal Year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county had to be approved by two-thirds of both houses of the Legislature.

Proposition 22. Proposition 22, entitled "The Local Taxpayer, Public Safety and Transportation Protection Act," was approved by the voters of the State in November 2010. Proposition 22 eliminates or reduces the State's authority to (i) temporarily shift property taxes

from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Unitary Property

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization ("Unitary Property"), commencing with the 1988–89 Fiscal Year, are allocated as follows: (i) each jurisdiction will receive up to 102% of its prior year State–assessed revenue; and (ii) if county–wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State–assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

Possible Future Initiatives

Article XIIIA, Article XIIIB and Propositions 218, 26, IA and 22 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, further affecting the City's revenues or its ability to expend revenues.

BOND OWNERS' RISKS

The following describes certain special considerations and risk factors affecting the payment of and security for the Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors in the Bonds are advised to consider the following special factors along with all other information in this Official Statement in evaluating the Bonds. There can be no assurance that other considerations will not materialize in the future.

No Pledge of Taxes

General. The obligation of the City to pay the Base Rental and Additional Rental payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay Base Rental and Additional Rental payments does not constitute a debt or indebtedness of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

The City is currently liable on other obligations payable from general revenues, which are described above under "CITY FINANCIAL INFORMATION – General Fund Long-Term Obligations."

Limitations on Taxes and Fees. Certain taxes, assessments, fees and charges presently imposed by the City could be subject to the voter approval requirements of Article XIIIC and Article XIIID of the State Constitution. Based upon the outcome of an election by the voters, such fees, charges, assessments and taxes might no longer be permitted to be imposed, or may be reduced or eliminated and new taxes, assessments fees and charges may not be approved. The City has assessed the potential impact on its financial condition of the provisions of Article XIIIC and Article XIIID of the State Constitution respecting the imposition and increase of taxes, fees, charges and assessments and does not believe that an election by the voters to reduce or eliminate the imposition of certain existing fees, charges, assessments and taxes would substantially affect its financial condition. However, the City believes that if the initiative power was exercised so that all local taxes, assessments, fees and charges that may be subject to Article XIIIC and Article XIIID of the State Constitution are eliminated or substantially reduced, the financial condition of the City, including its General Fund, could be materially adversely affected.

Although the City does not currently anticipate that the provisions of Article XIIIC and Article XIIID of the State Constitution would adversely affect its ability to pay Base Rental and its other obligations payable from the General Fund, no assurance can be given regarding the ultimate interpretation or effect of Article XIIIC and Article XIIID of the State Constitution on the City's finances. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS."

Abatement

In the event of loss or substantial interference in the use and possession by the City of all or any portion of the Leased Property caused by material damage, title defect, destruction to or condemnation of the Leased Property, Base Rental payments will be subject to abatement. See "SECURITY FOR THE BONDS – Abatement" above. In the event that such component of the Leased Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of in which proceeds of rental interruption insurance, if any, will be available in lieu of Base Rental, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of such component of the Leased Property or prepayment of the Bonds, there could be insufficient funds to make payments to Owners in full. It is not always possible to predict the circumstances under which abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, it may be that the value of the Leased Property is substantially higher or lower than its value at the time of issuance of the Bonds. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Bonds.

If damage, destruction, title defect or eminent domain proceedings with respect to the Leased Property results in abatement of the Base Rental payments related to such Leased Property and if such abated Base Rental payments, if any, together with moneys from rental interruption or use and occupancy insurance, if any, (in the event of any insured loss due to damage or destruction), and eminent domain proceeds, if any, are insufficient to make all payments of principal and interest with respect to the Bonds during the period that the Leased Property is being replaced, repaired or reconstructed, then all or a portion of such payments of principal and interest may not be made. Reduction in Base Rental payments due to abatement as provided in the Sublease does not constitute a default thereunder, and no remedy is available to the Bond Owners under the Sublease or the Indenture for nonpayment under such circumstances. See APPENDIX C.

Limited Recourse under Sublease

The ability of the City to comply with its covenants under the Sublease may be adversely affected by actions and events outside of the control of the City, and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or payers of assessments, fees and charges. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" above.

Failure by the City to make Base Rental payments, or failure to pay Additional Rental Payments or to observe and perform any other terms, covenants or conditions contained in the Sublease or in the Indenture for a period of 30 days after written notice of such failure and request that it be remedied has been given to the City by the Authority or the Trustee, constitute Events of Default under the Sublease. Such events permit the Trustee or the Authority to pursue any and all remedies available. However, notwithstanding anything in the Sublease or in the Indenture to the contrary, there is no right under any circumstances to accelerate the Base Rental payments or otherwise declare any Base Rental payments that are not then in default to be immediately due and payable. The Trustee is not empowered to sell the Leased Property and use the proceeds of such sale to prepay the Bonds or pay debt service on the Bonds.

Following an event of default, the Authority or the Trustee may elect either to terminate the Sublease and seek to collect damages from the City or to maintain the Sublease in effect and seek to collect the Base Rental payments as they become due. See APPENDIX C.

In the event of a default, there is no remedy of acceleration of the total Base Rental payments due over the term of the Lease. The City will be liable only for Base Rental payments on an annual basis and, in the event of a default, the Authority or Trustee would be required to seek a separate judgment each year for that year's defaulted Base Rental payments. Any such suit for money damages would be subject to limitations on legal remedies against municipalities in California, including a limitation on enforcement of judgments against funds of a Fiscal Year other than the Fiscal Year in which the Base Rental payments were due and against funds needed to serve the public welfare and interest.

Limitations on Remedies for Bondholders

Remedies available to the owners of the Bonds upon the occurrence of an event of default under the Sublease or the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the limitations on Bondowner remedies contained in the Sublease and the Indenture, the rights and obligations under the Bonds, the Sublease and the Indenture may be subject to the following: the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the Bonds to judicial discretion and

interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

The opinion to be delivered by Bond Counsel, concurrently with the issuance of the Bonds, will include a qualification that the rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture, the Sublease and the Lease may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases. See "APPENDIX E — FORM OF OPINION OF BOND COUNSEL."

Additional Obligations of the City

General. The City is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the Bonds, and may in the future be subject to liabilities payable from the general fund (some of which are described below). To the extent that additional obligations are incurred by (or imposed upon) the City, the funds available to pay Base Rental payments may be decreased.

The Base Rental payments and other payments due under the Sublease (including payment of costs of repair and maintenance of the Leased Property, taxes and other governmental charges levied against the Leased Property) are payable from funds lawfully available to the City. If the amounts that the City is obligated to pay in a fiscal year exceed the City's revenues for such year, the City may choose to make some payments rather than making other payments, including Base Rental and Additional Rental payments, based on the perceived needs of the City. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues or is required to expend available revenues to preserve the public health, safety and welfare.

Litigation. The City is subject to litigation arising in the normal course of business, the costs of which may be payable from the General Fund. See "LITIGATION."

CalPERS Obligations. Many cities and other local agencies in the State have been faced with increased payments due to CalPERS in recent years. The City, like many other cities and local agencies in the State, is responsible for payments to CalPERS for its share of employee pension costs. Amounts owed to CalPERS for pension costs have increased in recent years and are expected to continue to increase, as CalPERS implements changes to its discount rate and other methodologies for calculating pension costs. See "CITY FINANCIAL INFORMATION – Employee Retirement System; CalPERS," above, for additional information.

Transient Occupancy Taxes

Transient occupancy tax revenues are typically the biggest source of General Fund revenue to the City. Transient occupancy tax revenues are based upon hotel and motel room night occupancy rates and room-night pricing, which could be impacted by a variety of factors.

For example, before final maturity of the Bonds, the City may enter into an economic recession. In times of economic recession, overnight travel involving hotel and motels may decline and/or the pricing of hotel and motel room nights may decline, and such a decline would cause the transient occupancy tax revenues received by the City to also decline.

Natural disasters, weather and public health emergencies can also affect tourism activity in the City, which could potentially have a material adverse impact on the City's receipt of TOT revenues. For example, fires near to the City and/or Highway 50 (the main highway into the City) have reduced TOT revenues in the past and future similar events could result in decreased TOT revenues in the future. In addition, the COVID-19 pandemic lock-down orders reduced TOT revenues, until those orders were lifted.

In addition, changes or amendments in the laws applicable to the City's receipt of sales tax revenues, whether implemented by State legislative action or voter initiative, could have an adverse effect on transient occupancy tax revenues received by the City. For example, in November 2018, voters in the City passed Measure T, which severely restricted the number of vacation rental homes in the City. See "CITY FINANCIAL INFORMAITON – Transient Occupancy Taxes" for additional details.

Sales Taxes

Sales tax revenues are typically the second biggest source of revenue to the City, behind transient occupancy taxes. Sales tax revenues are based upon the gross receipts of retail sales of tangible goods and products by retailers with taxable transactions in the City, which could be impacted by a variety of factors.

For example, before final maturity of the Bonds, the City may enter into an economic recession. In times of economic recession, the gross receipts of retailers often decline, and such a decline would cause the sales tax revenues received by the City to also decline.

In addition, changes or amendments in the laws applicable to the City's receipt of sales tax revenues, whether implemented by State legislative action or voter initiative, could have an adverse effect on sales tax revenues received by the City. For example, many categories of transactions are exempt from the statewide sales tax, and additional categories could be added in the future. Currently, most sales of food products for human consumption are exempt; this exemption, however, does not apply to liquor or to restaurant meals. The rate of sales tax levied on taxable transactions in the City or the fee charged by the CDTFA for administering the City's sales tax could also be changed.

Property Taxes

Property taxes are a significant source of General Fund revenue to the City. Certain risks associated with property tax revenues follow.

Levy and Collection. The City does not have any independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the City's property tax revenues, and accordingly, could have an adverse impact on the ability of the City to make Base Rental payments. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the City's ability to pay principal of and interest on the Bonds when due.

Reduction in Inflationary Rate. Article XIIIA of the California Constitution provides that the full cash value base of real property used in determining assessed value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND

APPROPRIATIONS." Such measure is computed on a calendar year basis. Because Article XIIIA limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. Since Article XIIIA was approved, the annual adjustment for inflation has fallen below the 2% limitation a limited number of times.

The City is unable to predict if any adjustments to the full cash value base of real property within the City, whether an increase or a reduction, will be realized in the future.

Appeals of Assessed Values. There are two types of appeals of assessed values that could adversely impact property tax revenues:

Proposition 8 Appeals. Most of the appeals that might be filed in the City would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. These market-driven appeals are known as Proposition 8 appeals.

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

Base Year Appeals. A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their property. Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals in the future will not significantly reduce the City's property tax revenues.

Natural Calamities

General. Natural disasters, such as seismic events, wildfires, flooding or landslides could affect economic activity in the City, and could have a negative impact on City finances. There can be no assurance that the occurrence of any natural calamity would not cause substantial interference to and costs for the City or impact the Leased Property.

Wildfires. Many areas of northern California have suffered from major wildfires in recent years, including numerous wildfires in northern California in 2020 and in 2021. The City has been impacted by two major fires in the last 20 years. The Angora Fire in 2007, which started by an illegal campfire, burned over 3,000 acres including a western area within the City, burning 317 homes and 67 commercial structures. The Caldor Fire in the fall of 2021 caused the evacuation of 50,000 residents in the City and nearby areas, burned 221,835 acres in 69 days and destroyed 1,003 structures in the mountains near the City, although it did not destroy property within the City. As a result of these fires and increased wildfire activity elsewhere in California, many insurance companies no longer offer fire insurance policies for structures in the City, resulting in significant increases in premiums for available insurance.

In addition to wildfire impacts on health and safety and property damage in California, the smoke from many of these wildfires has impacted the quality of life throughout the region, and the City and may have short-term and future impacts on commercial activity in the City. The fires have been driven in large measure by drought conditions and low humidity. Experts expect that California will continue to be subject to wildfire conditions year over year as a result in changing weather patterns due to climate change.

The developed portion of land in the City is located within a Fire Hazard Severity Zone as established by Cal Fire (https://egis.fire.ca.gov/FHSZ), which means there is increased risks of wildfire to property in the City. The City was one of the first jurisdictions in the State to implement an aggressive vegetation management program in collaboration with CalFire to reconstitute control burns, dozer fuel breaks, and shaded fuel breaks in the State responsibility areas surrounding the South Lake Tahoe Valley. An active public outreach and inspection program requiring vegetation management on private property and prevention checks of businesses is ongoing.

Wildfires can make hillsides unstable, leading to potential landslide risks to areas in the City and to Highway 50, which is the main highway leading into the City.

Seismic. Like most of the State, the City is located in a seismically active area. If there were to be an occurrence of severe seismic activity in the area of the City, such an occurrence may adversely affect economic activity in the City, and could have a negative impact on City finances. The City could be at risk from strong ground motion and secondary effects related to a seismic event, including ground failure (such as landslide, liquefaction, lateral spreading, lurching and differential settlement) and seismically induced flooding (such as flooding from a tsunami or dam failure).

Droughts. California is subject to droughts from time-to-time. In April 2015, for the first time in California's history, Governor Brown directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25%. Following a wet winter in 2016-17, most of the mandatory water reductions were lifted, only to return again in 2021 and 2022 following unusually dry years. Customers in the City are subject to certain mandatory water reductions imposed by State and local water agencies.

Climate Change. City finances may be negatively impacted by climate change. Local impacts of climate change are not definitive, but parcels in the City could experience changes to local and regional weather patterns; increased risk of flooding; and water restrictions. See, for example, the discussions above regarding wildfires and droughts.

Public Health Emergencies

In recent years and as a result of the COVID-19 pandemic, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. Pandemic diseases arising in the future could have significant adverse health and financial impacts throughout the world, leading to loss of jobs and personal financial hardships, and/or actions by federal, State and local governmental authorities to contain or mitigate the effects of an outbreak.

There can be no assurances that future public health emergencies and/or responses intended to slow the spread of disease, such as limiting business and travel activity, will not materially adversely impact the state and national economies and, accordingly, materially adversely impact the financial condition of the City and the City's General Fund in the future. In addition, the City may experience increased personnel costs and/or reduced revenues due to the occurrence of future disease emergencies and the related impacts on economic and other activity in and around the City.

Cyber Security

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. The City maintains insurance coverage for loss resulting from cyber security incidents, however no assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City, or the administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector and other authorities for the levy and collection of taxes, and the Trustee. No assurance can be given that the City and/or the other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "**Code**"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issue. These requirements include, but are not limited to, provisions which limit how the proceeds of the Bonds may be spent and invested, and generally require that certain investment earnings be rebated on a periodic

basis to the United States of America. The City and the Authority have made certifications and representations and have covenanted to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code.

In the opinion of Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, under existing law and assuming the accuracy of such certifications and representations by, and compliance with such covenants of, the City and the Authority, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from State of California personal income taxes. Bond counsel expresses no opinion as to any other tax consequences regarding the Bonds.

Under the Code, interest on the Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding these and other such consequences.

Bond Counsel has not undertaken to advise in the future whether any circumstances or events occurring after the date of issue of the Bonds may affect the tax status of interest on the Bonds. Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the California legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. No assurance can be given that legislation enacted or proposed, or actions by a court, after the date of issue of the Bonds, will not eliminate, or directly or indirectly reduce the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes, or have an adverse effect on the market value or marketability of the Bonds. Investors should consult their own financial and tax advisors to analyze the importance of these risks.

For example, federal tax legislation enacted on December 22, 2017, reduced corporate tax rates, modified individual tax rates, eliminated many deductions, and generally eliminated the tax-exempt advance refunding of tax-exempt bonds and other tax advantaged bonds, among other things. In addition, investors in the Bonds should be aware that future legislative actions might increase, reduce, or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change.

Certain requirements and procedures contained or referred to in relevant documents may be changed and certain actions may be taken, under the circumstances and subject to the terms

and conditions set forth in such documents, upon the advice or with the approving opinion of nationally recognized bond counsel. Bond Counsel expresses no opinion as to any Bond, or the interest thereon, if any such change occurs or action is taken upon the advice or approval of bond counsel other than Richards, Watson & Gershon, A Professional Corporation.

If the issue price of a Bond (the first price at which a substantial amount of the bonds of a maturity are sold to the public) is less than the stated redemption price at maturity of such Bond, the difference constitutes original issue discount, the accrual of which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant yield method over the term of each such Bond and the basis of each Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Purchasers who acquire Bonds with original issue discount are advised that they should consult with their own independent tax advisors with respect to the state and local tax consequences of owning such Bonds.

If the issue price of a Bond is greater than the stated redemption price at maturity of such Bond, the difference constitutes original issue premium, the amortization of which is not deductible from gross income for federal income tax purposes. Original issue premium is amortized over the period to maturity of such Bond based on the yield to maturity of that Bond (or, in the case of a Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Bond), compounded semiannually. For purposes of determining gain or loss on the sale or other disposition of such Bond, the purchaser is required to decrease such purchaser's adjusted basis in such Bond by the amount of premium that has amortized to the date of such sale or other disposition. As a result, a purchaser may realize taxable gain for federal income tax purposes from the sale or other disposition of such Bond for an amount equal to or less than the amount paid by the purchaser for that Bond. A purchaser of that Bond in the initial public offering at the issue price for that Bond who holds it to maturity (or, in the case of a callable Bond, to its earlier call date that results in the lowest yield on that Bond) will realize no gain or loss upon its retirement.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of a Bond is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Prospective purchasers of the Bonds should consult their own independent tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City, the Authority or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax

purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to participate in the audit or to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX E.

CERTAIN LEGAL MATTERS

Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, will render an opinion with respect to the validity of the Bonds, the form of which is set forth in "APPENDIX E — FORM OF OPINION OF BOND COUNSEL." Certain legal matters will also be passed upon for the City and the Authority by Jones Hall, A Professional Law Corporation, as Disclosure Counsel. Certain legal matters will be passed upon for the City by the City Attorney, and for the Underwriter by its counsel, Quint & Thimmig LLP.

LITIGATION

Except as may otherwise be set forth in this Official Statement, to the best knowledge of the City, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending and notice of which has been served on and received by the City or, to the knowledge of the City, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Sublease, the Lease or the Indenture, or upon the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially adversely affect the consummation of the transactions contemplated by the Sublease, the Lease or the Indenture, or the financial conditions, assets, properties or operations of the City, including but not limited to the payment and performance of the City's obligations under the Lease.

The City is subject to claims, actions, and lawsuits arising in the normal course of business. At this time, the City does not believe any of the lawsuits are likely to be resolved in a manner that would result in liability to the City in excess of its existing insurance coverage. However, no assurance can be given that an adverse outcome in any pending or future litigation against the City would not result in a material adverse effect upon the financial condition of the City and its ability to pay the Base Rental payments securing the Bonds.

RATING

S&P Global Ratings ("**S&P**"), a division of Standard & Poor's Financial Services LLC has assigned its municipal bond rating of "AA" to the Bonds. This rating reflects only the views of S&P, and an explanation of the significance of this rating, and any outlook assigned to or associated with this rating, should be obtained from S&P. Generally, a rating agency bases its

rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The City has provided certain additional information and materials to the rating agency (some of which does not appear in this Official Statement). There is no assurance that this rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of any rating on the Bonds may have an adverse effect on the market price or marketability of the Bonds.

CONTINUING DISCLOSURE

The City will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data by not later than nine months after the end of the City's fiscal year, or June 30 of each year (based on the City's current fiscal year-end of September 30), commencing June 30, 2024, with the report for the 2022-23 fiscal year (the "**Annual Report**") and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5), as amended (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the City is set forth in "APPENDIX D – Form of Continuing Disclosure Certificate."

A review of the City's prior compliance with its continuing disclosure obligations under the Rule reveals that it has complied, in all material respects, with its continuing disclosure requirements during the past five years.

MUNICIPAL ADVISOR

The City and the Authority have retained PFM Financial Advisors LLC, San Francisco, California, as municipal advisor (the "**Municipal Advisor**") in connection with the offering of the Bonds. All financial and other information presented in this Official Statement has been provided by the City and the Authority from their records, except for information expressly attributed to other sources. The Municipal Advisor takes no responsibility for the accuracy or completeness of the data provided by the City, Authority or others and has not undertaken to make an independent verification or does not assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The fee of the Municipal Advisor is contingent upon the successful closing of the Bonds.

UNDERWRITING

Stifel Nicolaus & Company, Incorporated, as underwriter (the "**Underwriter**"), has entered into a Bond Purchase Agreement with the Authority under which it will purchase the Bonds at a purchase price of $_____, which is equal to the par amount of the Bonds, less an Underwriter's discount of $_____.

The Underwriter will be obligated to take and pay for all of the Bonds if any are taken. The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

EXECUTION

The execution of this Official Statement and its delivery have been authorized by the Board of the Authority and the City Council of the City.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By:_____
Executive Director

CITY OF SOUTH LAKE TAHOE

By:_____
City Manager

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE CITY FOR FISCAL YEAR ENDING SEPTEMBER 30, 2022

APPENDIX B

GENERAL INFORMATION ABOUT THE CITY OF SOUTH LAKE TAHOE AND THE COUNTY OF EL DORADO

*The following information concerning the City of South Lake Tahoe (the "**City**") and the County of El Dorado (the "**County**") is included only for the purpose of supplying general information regarding the area. The Bonds are not a debt of the City, the County, the State of California (the "**State**") or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor. None of the Authority, the City and the Underwriter take any responsibility for the accuracy or completeness of such information.*

General

The City. The City is located at the South Shore of Lake Tahoe, which is the country's largest alpine lake, and adjacent to Stateline/Zephyr Cove, Nevada, in the Sierra Nevada Mountains. The population was 20,548 as of January 1, 2023. According to the United States Census Bureau, the City has a total area of 16.5 square miles, of which 10.1 square miles is land and 6.4 square miles is water. Elevation is 6260 ft. As the only incorporated community in the Lake Tahoe Basin, the City takes great pride in being a central hub of one of the country's most popular tourism destinations. The east end of the City, on the California-Nevada state line, is mainly geared towards tourism, with shops, restaurants, hotels, and the Heavenly Ski Resort, with the Nevada casinos just across the State line. The western end of town is mainly residential.

The County. The County was incorporated as a general law county in 1850, with the City of Placerville as the county seat. In 1994, County voters adopted a county charter by majority vote under Article XI, Section 4 of the California Constitution, and the County has been organized and operating as a charter county since that time. The legislative body is a five-member Board of Supervisors, each supervisor being elected by voters within his or her supervisorial district. Because much of the County is comprised of unincorporated areas, the County provides a wide range of services through its departments and by special districts for these areas.

The County is comprised of 1,711.5 square miles encompassing a portion of Lake Tahoe on the east and reaching to the west within 25 miles of Sacramento, California, the State capitol. More than half of the land in the County is owned by the federal, state or local governments. 150 miles west of the County is San Francisco, while 400 miles south is Los Angeles. Placerville is located 44 miles east of Sacramento.

Population

The following table lists population estimates for the City, the County and the State for the last five years, as of January 1 each year.

CITY OF SOUTH LAKE TAHOE, COUNTY OF EL DORADO, STATE OF CALIFORNIA
Population Estimates
Years 2019 through 2023, as of January 1

Year	City of South Lake Tahoe	El Dorado County	State of California
2019	22,944	189,691	39,605,361
2020	23,210	193,519	39,648,938
2021	21,100	190,561	39,286,510
2022	20,727	189,816	39,078,674
2023	20,548	189,006	38,940,231

Source: California Department of Finance, Demographic Research Unit.

Remainder of page intentionally left blank]

Industry and Employment

The unemployment rate in the Sacramento--Roseville--Arden-Arcade MSA was 3.8 percent in April 2023, down from a revised 4.4 percent in March 2023, and above the year-ago estimate of 3.4 percent. This compares with an unadjusted unemployment rate of 4.3 percent for California and 3.1 percent for the nation during the same period. The unemployment rate was 3.6 percent in El Dorado County, 3.3 percent in Placer County, 3.9 percent in Sacramento County, and 4.3 percent in Yolo County.

The following table shows the unemployment rate in El Dorado County for the years shown.

SACRAMENTO-ARDEN ARCADE-ROSEVILLE MSA
El Dorado, Placer, Sacramento, Yolo Counties
Civilian Labor Force, Employment and Unemployment
Calendar Years 2018 through 2022
(March 2022 benchmark)

	2018	2019	2020	2021	2022
Civilian Labor Force (1)	1,088,500	1,101,200	1,095,600	1,107,800	1,124,500
Employment	1,047,200	1,061,100	998,400	1,036,700	1,082,500
Unemployment	41,200	40,100	97,200	71,100	42,000
Unemployment Rate	3.8%	3.6%	8.9%	6.4%	3.7%
Wage and Salary Employment:(2)					
Agriculture	9,100	8,700	8,300	9,000	8,600
Mining and Logging	400	500	500	500	500
Construction	64,500	69,400	70,200	74,900	76,800
Manufacturing	36,000	36,800	36,100	37,700	40,300
Wholesale Trade	28,400	28,600	26,600	26,900	28,300
Retail Trade	102,000	100,500	95,100	100,600	100,800
Transportation, Warehousing, Utilities	29,500	32,200	34,300	37,500	40,500
Information	12,400	11,900	10,200	10,100	10,500
Financial Activities	53,500	52,500	51,700	51,800	52,300
Professional and Business Services	136,000	137,300	133,500	140,600	147,500
Educational and Health Services	159,800	166,600	164,000	168,800	175,400
Leisure and Hospitality	106,200	109,600	83,900	93,600	108,700
Other Services	34,200	35,400	31,000	33,300	36,100
Federal Government	14,100	14,200	14,800	14,500	14,300
State Government	120,400	121,900	121,700	127,300	128,700
Local Government	103,500	105,300	98,900	98,400	102,900
Total all Industries (3)	1,009,900	1,031,300	980,700	1,025,400	1,072,300

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Columns may not sum to totals due to rounding.
Source: State of California Employment Development Department.

Principal Employers

The following table lists the principal employers within the City for Fiscal Year 2021-22.

CITY OF SOUTH LAKE TAHOE
Principal Employers
Fiscal Year 2021-22

Employer Name	No. of Employees
Barton Memorial Hospital	907
Lake Tahoe Unified School District	360
El Dorado County	270
Raley's Supermarket	241
City of South Lake Tahoe	207
Marriott Corporation	185
Lake Tahoe Community College	178
Lake Tahoe Resort Hotel	125
South Tahoe Public Utility District	119
United States Forest Service	100

Source: City of South Lake Tahoe.

[Remainder of page intentionally left blank]

The following table lists, in alphabetical order, the largest manufacturing and non-manufacturing employers within the County as of June 2023.

COUNTY OF EL DORADO
Major Employers
As of June 2023
(In Alphabetical Order)

Employer Name	Location	Industry
Barton Health	South Lake Tahoe	Hospitals
Blue Shield of California	El Dorado Hills	Insurance
Broadridge Financial Solutions	El Dorado Hills	Business Services NEC
Camp Richardson Lake Tahoe	South Lake Tahoe	Resorts
CEMEX	El Dorado Hills	Construction Companies
Child Development Programs	Placerville	Youth Organizations & Centers
County of Eldorado	Placerville	County Government-General Offices
El Dorado County Child Protctn	Placerville	Government Offices-County
El Dorado County Sheriff	Placerville	Sheriff
El Dorado County Trnsprtn	Placerville	Government Offices-County
El Dorado Irrigation District	Placerville	Water & Sewage Companies-Utility
Lake Tahoe Community College	South Lake Tahoe	Junior-Community College-Tech Institutes
Liberty Utilities Co	South Lake Tahoe	Utility Contractors
Marriott's Timber Lodge	South Lake Tahoe	Hotels & Motels
More	Placerville	Rehabilitation Services
Nugget Markets	El Dorado Hills	Grocers-Retail
Oak Ridge High School	El Dorado Hills	Schools
Safeway	South Lake Tahoe	Grocers-Retail
Sierra-At-Tahoe Resort	Twin Bridges	Skiing Centers & Resorts
South Lake Tahoe City Manager	South Lake Tahoe	City Government-Executive Offices
Spare Time Inc	El Dorado Hills	Health Clubs Studios & Gymnasiums
Top To Bottom Inside & Out Inc	El Dorado Hills	Home Improvements
Transitional Learning Ctr High	South Lake Tahoe	Schools
Urbana Tahoe Tc LLC	South Lake Tahoe	Hotels & Motels
Zephyr Cove Resort	South Lake Tahoe	Marinas

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2023 2nd edition.

[Remainder of page intentionally left blank]

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City, the County, the State, and the United States for the period 2019 through 2023.

CITY OF SOUTH LAKE TAHOE, EL DORADO COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
EFFECTIVE BUYING INCOME
As of January 1, 2019 through 2023

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2019	City of South Lake Tahoe	$573,233	$45,436
	El Dorado County	6,884,494	67,948
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	City of South Lake Tahoe	$601,856	$47,973
	El Dorado County	7,131,224	70,899
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of South Lake Tahoe	$637,224	$48,817
	El Dorado County	7,711,541	73,169
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	City of South Lake Tahoe	$671,743	$51,604
	El Dorado County	8,429,911	81,237
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of South Lake Tahoe	$760,840	$56,424
	El Dorado County	8,459,722	81,743
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326

Source: Claritas, LLC.

Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years in which data is available is shown in the following tables.

Total taxable sales during calendar year 2022 in the City were reported to be $543,904,529 a 30.14% increase over the total taxable sales of $417,952,482 reported during calendar year 2021.

CITY OF SOUTH LAKE TAHOE
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2018 through 2022 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2018	668	$371,475	1,024	$444,026
2019	644	379,918	1,021	453,257
2020	671	350,304	1,069	410,339
2021	659	416,465	1,064	489,008
2022	664	456,236	1,087	543,905

Source: State Department of Tax and Fee Administration.

Total taxable sales during calendar year 2022 in the County were reported to be $3,363,404,562, a 7.78% increase over the total taxable sales of $3,120,528,472 reported during calendar year 2021.

COUNTY OF EL DORADO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2018 through 2022 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2018	4,216	$1,771,739	6,836	$2,369,664
2019	4,183	1,876,936	6,917	2,544,004
2020	4,332	2,005,650	7,309	2,707,847
2021	3,797	2,272,978	6,547	3,120,528
2022	3,821	2,422,073	6,664	3,363,405

Source: State Department of Tax and Fee Administration.

Construction Activity

Construction activity in the City and the County for the past five years for which data is available is shown in the following tables.

CITY OF SOUTH LAKE TAHOE
Building Permit Valuation
For Calendar Years 2018 through 2022
(Dollars in Thousands)[1]

	2018	2019	2020	2021	2022
Permit Valuation					
New Single-family	$9,787.6	$6,501.5	$14,964.3	$16,685.2	$13,155.2
New Multi-family	2,232.8	14,250.0	2,621.6	0.0	34,910.0
Res. Alterations/Additions	9,253.5	9,025.9	9,706.7	12,444.8	13,136.0
Total Residential	21,273.9	29,777.4	27,292.6	29,130.0	61,201.2
New Commercial	12,208.2	1,832.6	4,857.0	9,084.9	60.0
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	1,358.9	273.4	603.2	788.9	1,151.3
Com. Alterations/Additions	5,474.6	7,434.0	14,113.2	8,696.4	18,291.5
Total Nonresidential	19,041.7	9,540.0	19,573.4	18,570.2	19,502.8
New Dwelling Units					
Single Family	27	15	34	36	26
Multiple Family	4	18	7	0	83
TOTAL	31	33	41	36	109

(1) Totals may not foot due to rounding.
Source: Construction Industry Research Board, Building Permit Summary.

EL DORADO COUNTY
Building Permit Valuation
For Calendar Years 2018 through 2022
(Dollars in Thousands)[1]

	2018	2019	2020	2021	2022
Permit Valuation					
New Single-family	$221,702.9	$404,049.4	$271,705.8	$272,949.4	$272,193.6
New Multi-family	2,458.5	14,250.0	2,621.6	0.0	34,910.0
Res. Alterations/Additions	50,395.3	39,291.3	30,270.3	42,208.2	58,069.1
Total Residential	274,556.7	457,590.7	304,597.7	315,157.6	365,172.7
New Commercial	37,141.5	42,622.0	16,917.1	37,727.2	33,737.9
New Industrial	1,024.1	0.0	0.0	0.0	0.0
New Other	48,961.4	35,357.3	28,555.7	44,229.5	46,142.7
Com. Alterations/Additions	21,186.3	27,883.6	24,950.1	23,256.9	46,318.6
Total Nonresidential	108,313.3	105,862.9	70,422.9	105,213.6	126,199.2
New Dwelling Units					
Single Family	613	595	649	697	626
Multiple Family	6	18	7	0	83
TOTAL	619	613	656	697	709

(1) Totals may not foot due to rounding.
Source: Construction Industry Research Board, Building Permit Summary.

Tourism

Tourism has long been a major component of the City's and County's economy. Lake Tahoe is a world-class destination attraction with a varied offering of both winter and summer sports. Marwill State Park Gold Discovery Site, Folsom Lake, Apple Hill (a ranch marketing area) and other attractions in the western part of the County provide another range of diversity to visitors. Much of the central part of the County lies in the El Dorado and Tahoe National Forests which provide hiking, camping, fishing, hunting and other outdoor recreation.

Transportation

Two major highways (U.S. 50 and U.S. 49) intersect the County while Interstate 5 and Interstate 80 are within 45 minutes of the City of Placerville. Commercial air service is provided to the western portion of the County by the Sacramento Metropolitan Airport, 50 miles west of the City of Placerville. More than 200 trucking firms serve the County area, with interstate, local and special hauling. The City and the County are also served by Greyhound Bus Lines.

APPENDIX C

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, 2023 Series A

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the City of South Lake Tahoe (the "City") in connection with the issuance by the Authority of the bonds captioned above (the "Bonds"). The Bonds are being issued under an Indenture of Trust dated as of August 1, 2023 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means June 1 of each year.

"*Dissemination Agent*" means the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement, executed by the City and the Authority in connection with the issuance of the Bonds.

"*Participating Underwriter*" means Stifel Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing June 30, 2024, with the report for Fiscal Year 2022-23 (which ends on September 30, 2022), provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The City shall provide a written certificate with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements of the City prepared in accordance with Generally Accepted Accounting Principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the City for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) Principal amount of Bonds outstanding.

(ii) Balance in each fund under the Indenture as of August 2 preceding the filing of the Annual Report.

(iii) General fund statement of General Fund revenues and expenditures and Balance Sheet for the most recent fiscal year in substantially the form of Table 10 and Table 11.

(iv) General fund budgeted revenues, sources and uses of funds in substantially the form of Table 1.

(v) General fund revenues by source in substantially the form of Table 2.

(vi) Assessed valuation of property in the City in substantially the form of Table 7.

(vii) Principal secured taxpayers in substantially the form of Table 8.

(ix) Actual Transient Occupancy Tax revenues received in the most recently ended fiscal year, in substantially the form of Table 3.

(x) Top ten Transient Occupancy Tax generators, in substantially the form of Table 4.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with

respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material (for definition of "financial obligation," see clause (f)).

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties (for definition of "financial obligation," see clause (f)).

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For the purposes of the event identified in (a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(e) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(f) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond owners or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Section 15. Governing Law. This Disclosure Certificate shall be governed by the laws of the state of California.

Date: _____, 2023

CITY OF SOUTH LAKE TAHOE

By_____
Name:_____
Title:_____

AGREED AND ACCEPTED:

The Bank of New York Mellon Trust
Company, N.A., as Dissemination Agent

By: _____

Name: _____

Title: _____

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

___, 2023

South Tahoe Joint Powers Financing Authority
South Lake Tahoe, California

Opinion of Bond Counsel

with reference to

$[principal amount]
South Tahoe Joint Powers Financing Authority
Lease Revenue Bonds
2023 Series A

Ladies and Gentlemen:

We have examined (i) a record of proceedings relating to the issuance of the above-captioned bonds (the "Bonds") of the South Tahoe Joint Powers Financing Authority, a joint powers authority (the "Authority"), (ii) the Indenture, dated as of August 1, 2023 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A. as trustee (the "Trustee"), (iii) the Lease Agreement, dated as of August 1, 2023 (the "Lease"), by and between the City of South Lake Tahoe (the "City") and the Authority, (iv) the Sublease, dated as of August 1, 2023 (the "Sublease"), by and between the Authority and the City, (v) the Assignment Agreement, dated as of August 1, 2023 (the "Assignment Agreement"), by and between the Authority and the Trustee; and (vi) such other matters of law as we have deemed necessary to enable us to render the opinions expressed herein. As to questions of fact material to this opinion, we have relied upon such certificates and documents without undertaking to verify the same by independent investigation. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Indenture.

The Bonds are issued under and pursuant to the Indenture, the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as amended (the "Act"), including the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act. The Bonds are issued for the purpose of assisting the City in financing the costs of acquisition, construction, rehabilitation, renovation, and furnishing of the City's new multigenerational recreation center.

Based upon such examination, we are of the opinion under existing law that:

1. The Indenture has been duly and lawfully authorized, executed and delivered by the Authority. Assuming due authorization, execution and delivery by the Trustee, the Indenture is in full force and effect in accordance with its terms and is valid and binding upon the Authority and enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the Revenues and certain funds established by the Indenture (including the investments, if any, thereof), subject to the provisions of the Indenture permitting the application thereof for the purposes, and on the terms and conditions set forth in the Indenture.

2. The Authority is duly authorized and entitled to issue the Bonds. The Bonds have been duly and validly authorized and issued by the Authority in accordance with the Constitution and statutes of the State of California, including the Act, and in accordance with the Indenture. The Bonds constitute the valid and binding obligations of the Authority as provided in the Indenture, are enforceable in accordance with their terms and the terms of the Indenture and entitled to the benefits of the Act and the Indenture. The Bonds are not an obligation of the State of California, any public agency thereof (other than the Authority), or any member of the Authority and neither the faith and credit nor the taxing power of the State of California or any public agency thereof or any member of the Authority is pledged for the payment of the Bonds. The Authority has no taxing power.

3. The Authority and the City have duly authorized, executed and delivered the Lease, the Sublease, and the Assignment Agreement, as applicable. The Lease and the Sublease constitute the valid and binding agreements of the Authority and the City enforceable according to their respective terms. The obligation of the City to make Base Rental Payments during the term of the Sublease constitutes a valid and binding obligation of the City, payable from funds of the City lawfully available therefor, and does not constitute a debt of the City or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the City or the State of California is obligated to levy or pledge any form of taxation or for which the City or the State of California has levied or pledged any form of taxation.

4. Interest on the Bonds is exempt from personal income taxes of the State of California.

5. Assuming compliance with the covenants described below, interest on the Bonds is excluded from gross income for federal income tax purposes. The Bonds are not "specified private activity bonds" within the meaning of Section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the "Code") and, therefore, interest on the Bonds will not be treated as an item of tax preference for purposes of the federal individual alternative minimum tax, although we observe that, for tax years beginning after December 31, 2022, such interest included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax.

The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issue of the Bonds. The City has covenanted to satisfy, or take such actions as may be necessary to cause to be satisfied, each provision of the Code necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

Certain requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally recognized bond counsel. We express no opinion as to any Bond, or the interest thereon, if any change occurs or action is taken or omitted upon the advice or approval of any counsel other than ourselves.

Except as stated in the foregoing paragraphs numbered 4 and 5 and the paragraph immediately following paragraph 5, we express no opinion as to any federal or state tax consequences of the ownership or disposition of the Bonds.

The opinions expressed herein are qualified to the extent that the enforceability of the Indenture, the Bonds, the Lease and the Sublease may be limited by applicable bankruptcy, insolvency, debt adjustment, receivership, fraudulent conveyance or transfer, moratorium, reorganization, arrangements or other laws affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State or other laws or equitable principles affecting the enforcement of creditors' rights generally. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. We do not express any opinion with respect to the quality of title to, or interests in, any of the real or personal property subject to the lien of the Lease or Sublease or with respect to the accuracy or sufficiency of the description of any real property contained therein and in the Indenture. Without limiting the foregoing, we have assumed compliance with all agreements and covenants contained in the Indenture.

The opinions expressed herein are based on an analysis of existing law and cover certain matters not directly addressed thereby. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof, and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. We have assumed the genuineness of all documents and signatures presented to us. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in such documents. No opinion is expressed in this letter regarding the accuracy, completeness or fairness of the Official Statement or any other offering material relating to the Bonds.

Respectfully submitted,

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Bonds (the "Issuer") nor the trustee appointed with respect to the Bonds (the "Agent") take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding

company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

$_____
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, 2023 Series A

BOND PURCHASE AGREEMENT

August 16, 2023

South Tahoe Joint Powers Financing Authority
1901 Lisa Maloff Way, Suite 210
South Lake Tahoe, CA 96150

City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 210
South Lake Tahoe, CA 96150

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), hereby offers to enter into this bond purchase agreement (the "Bond Purchase Agreement") with the South Tahoe Joint Powers Financing Authority (the "Authority") and the City of South Lake Tahoe (the "City"). Upon the acceptance hereof by the Authority and the City, this offer will be binding upon the Authority, the City and the Underwriter. This offer is made subject to (a) the written acceptance hereof by the Authority and the City and (b) withdrawal by the Underwriter upon written notice (by telecopy or otherwise) delivered to the Authority and the City at any time prior to each of their acceptance hereof by the Authority and the City.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase on the Closing Date (as defined herein), and the Authority and the City hereby agree to sell and deliver to the Underwriter on the Closing Date, $_____ principal amount of South Tahoe Joint Powers Financing Authority Lease Revenue Bonds, 2023 Series A (the "Bonds). The Bonds are being issued pursuant to Article 4, Chapter 5, Division 7, Title 1 of the California Government Code, a resolution of the Authority authorizing the issuance of the Bonds, adopted on August 8, 2023 (the "Authority Resolution"), and an Indenture of Trust, dated as of August 1, 2023 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The City will lease certain real property and all buildings and other improvements installed thereon (collectively, the "Leased Property") to the Authority pursuant to a Lease Agreement, dated as of August 1, 2023 (the "Lease Agreement"). The Leased Property will be subleased by the Authority to the City pursuant to the Sublease, dated as of August 1, 2023 (the "Sublease"), by and between the Authority and the City. Pursuant to an Assignment Agreement, dated as of August 1, 2023 (the "Assignment

Agreement"), by and between the Authority and the Trustee, the Authority will assign, for the benefit of the owners of the Bonds, its right to receive lease payments (the "Base Rental Payments") made by the City under the Sublease and its right to exercise rights and remedies of the Authority under the Sublease. All capitalized terms not defined herein shall have the respective meaning specified in Section 1.01 of the Indenture.

Under the Sublease, the City is required to make Base Rental Payments and Additional Rental Payments from legally available funds in amounts calculated to be sufficient to pay principal of and interest on the Bonds when due. All of the Authority's right, title and interest in and to the Sublease (except for the right to receive Additional Rental Payments to the extent payable to the Authority and certain rights to indemnification), including the right to receive Base Rental Payments under the Sublease, will be assigned to the Trustee for the benefit of the Owners of the Bonds.

The Bonds are being issued to (a) finance the costs of construction of a new recreation center, and (b) pay costs of issuance of the Bonds.

The aggregate purchase price to be paid by the Underwriter for the Bonds is hereby agreed to be $_____, which amount represents the principal amount of the Bonds of $_____, less $_____, representing the Underwriter's discount, plus $_____, representing original issue premium (such payment and delivery of the Bonds and the other actions contemplated hereby to take place at the time of such payment and delivery being herein sometimes called the "Closing").

As an accommodation to the Authority and the City, the Underwriter will pay, from the purchase price of the Bonds, the sum of $_____ to _____ (the "Municipal Bond Insurer") as the premium for the Municipal Bond Insurer's municipal bond insurance policy issued for the Bonds (the "Municipal Bond Insurance Policy") and the sum of $_____ to the Municipal Bond Insurer as the premium for the Municipal Bond Insurer's reserve fund municipal bond insurance policy issued for the Bonds (the "Reserve Policy").

The Authority and the City acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Authority and the City and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Authority or the City; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Authority or the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliates of the Underwriter, has advised or is currently advising the Authority or the City on other matters) nor has it assumed any other obligation to the Authority or the City except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Authority and the City; and (v) the Authority and the City have consulted with their own legal and financial advisors to the extent they deemed appropriate in connection with the offering of the Bonds.

The Authority and the City hereby acknowledge receipt from the Underwriter of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

A Preliminary Official Statement of the City and the Authority, dated August 9, 2023 (together with the Appendices thereto, any documents incorporated therein by reference and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement"), has been prepared for use in marketing the Bonds, and a final Official Statement relating to the Bonds, to be dated the date hereof, as amended to conform to the terms of this Purchase Contract, and with such changes and amendments as are mutually agreed to by the Authority, the City and the Underwriter, including the cover page, inside cover page, the appendices and all information incorporated therein by reference, is herein collectively referred to as the "Official Statement," which shall be in substantially the form of the Preliminary Official Statement, with such changes and amendments thereto as may be mutually agreed upon by the Underwriter, the Authority and the City.

The Bonds shall be dated their date of delivery, and shall have the maturities, bear interest at the rates, have reoffering yields, and be subject to redemption as shown on Exhibit A hereto.

It shall be a condition to the Authority's obligation to sell and to deliver the Bonds to the Underwriter and to the obligation of the Underwriter to purchase, to accept delivery of and to pay for the Bonds that the entire $_____ principal amount of the Bonds as authorized by the Indenture shall be sold and delivered by the Authority and accepted and paid for by the Underwriter at the Closing. The Underwriter may change the offering prices (or yields) of the Bonds from time to time at any time. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The obligation of the Authority to sell and deliver the Bonds to the Underwriter shall also be conditioned upon the delivery by Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, Bond Counsel ("Bond Counsel"), of its approving legal opinion with respect to the Bonds.

The Authority and the City hereby authorizes the Underwriter to use and distribute the Lease Agreement, the Sublease, the Assignment Agreement, the Indenture and the Preliminary Official Statement, and the information contained in such documents in connection with the public offering and sale of the Bonds. The Authority and the City have authorized the use of the Preliminary Official Statement in connection with the public offering of the Bonds by the Underwriter prior to the date hereof.

The obligation of the City to make Base Rental Payments under the Sublease does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental Payments under the Sublease constitutes a debt of the Authority, the City, the State of California or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction. The obligation of the City to make Base Rental Payments, as set forth in the Sublease, shall be deemed to be and shall be construed to be a ministerial duty imposed by law and it shall be the ministerial duty of each and every public official of the City to take such actions and do such things as are required by law in the performance of such duty, subject to abatement in the event of damage or destruction to, or condemnation of, the Leased Property or a portion thereof.

2. Bona Fide Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds, at prices not in excess of the initial public offering yields or prices set forth on the inside cover page of the Official Statement. Subject to Section 3(c), the Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices; provided, however, that the Underwriter may offer a portion of the Bonds for sale to selected dealers who are members of the Financial Industry Regulatory Authority, and the Underwriter

reserves the right to change such offering prices or yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or at yields higher than the initial yields set forth on Exhibit A attached hereto. The Underwriter also reserves the right to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. None of such activities shall affect the principal amounts, maturity dates, interest rates, redemption or other provision of the Bonds or the amount to be paid by the Underwriter to the Authority for the Bonds.

3. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Authority and the City in establishing the issue price of the Bonds and shall execute and deliver to the Authority and the City at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Authority and the City under this Section 3 to establish the issue price of the Bonds may be taken on behalf of the Authority and the City by the City's municipal advisor identified herein and any notice or report to be provided to the Authority and the City may be provided to the City's municipal advisor.

(b) The Authority and the City will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority and the City the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority and the City the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Authority and the City acknowledge that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable,

as set forth in the retail distribution agreement and the related pricing wires. The Authority and the City further acknowledge that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section 3. Further, for purposes of this Section 3:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority and the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Bond Purchase Agreement by all parties.

4. The Bonds. The Bonds will be issued, executed and delivered pursuant to the Indenture. The City Council of the City has adopted a resolution on August 8, 2023, relating to the Bonds (the "City Resolution"). This Bond Purchase Agreement, the Lease Agreement, the Sublease and the Continuing Disclosure Certificate (hereinafter defined) are collectively referred to as the "City Documents." This Bond Purchase Agreement, the Indenture, the Lease Agreement, the Sublease and the Assignment Agreement are collectively referred to as the "Authority Documents."

5. Official Statement, Continuing Disclosure.

(a) The Authority and the City represent that they have deemed the Preliminary Official Statement to be final as of its date, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule").

(b) The Underwriter agrees that, prior to the time the final Official Statement is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such

potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the second business day following the date upon which each such request is received.

(c) The Authority agrees to deliver to the Underwriter, at such addresses as the Underwriter shall specify, as many copies of the final Official Statement relating to the Bonds as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of the Rule and with Rule G-32, Rule G-36 and all other applicable rules of the Municipal Securities Rulemaking Board. The Authority agrees to deliver such copies of the Official Statement within seven business days after the execution hereof. The Underwriter agrees to give notice to the Authority on the date after which the Underwriter shall no longer be obligated to deliver copies of the Official Statement pursuant to paragraph (b)(4) of the Rule, which date shall be no earlier than 25 days after the "end of the underwriting period," as determined in accordance with Section 15 herein.

(d) Prior to the earlier of (i) receipt of notice from the Underwriter that no participating underwriter, as such term is defined in the Rule, remains obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule or (ii) 25 days after the date of the Closing (as defined below), the Authority and the City shall provide the Underwriter with such information regarding the Authority and the City, each of their current financial conditions and ongoing operations as the Underwriter may reasonably request.

(e) The City hereby covenants and agrees that it will, on or prior to the Closing Date, enter into an agreement for the benefit of the owners of the Bonds in which the City will undertake to provide financial information, operating data and notices of material events as required by paragraph (d)(2)(ii) of the Rule substantially in the form of Appendix E to the Official Statement (the "Continuing Disclosure Certificate").

6. Representations, Warranties and Agreements of the City. The City represents, warrants and agrees as follows:

(a) The City is a municipal corporation and general law city duly organized and validly existing under the Constitution and laws of the State of California.

(b) The City has full legal right, power and authority (i) to enter into, execute and deliver the City Documents; and (ii) to carry out and consummate the transactions on its part contemplated by the City Documents and the Official Statement.

(c) By all necessary official action, the City has duly authorized and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and approved the distribution thereof (including in electronic form), has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations in connection with the execution and delivery of the Bonds on its part contained in the City Documents, and the consummation by it of all other transactions contemplated by the City Documents in connection with the execution and delivery of the Bonds, all pursuant to the City Resolution adopted at a meeting duly called and held in accordance with the requirements of all applicable laws and at which a quorum of the members of the City Council was continuously present. The City Resolution has not been modified, amended or rescinded since the date of its adoption.

(d) The City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree,

or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the City Documents) or other instrument to which the City is a party which breach or default has or may have an adverse effect on the ability of the City to perform its obligations under the City Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Bonds and the City Documents, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the City Documents.

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations in connection with the execution and delivery of the Bonds under the City Documents or the consummation by it of all other transactions contemplated by the City Documents have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations under the City Documents have been duly obtained.

(f) There is no action, suit, proceeding, inquiry or investigation, notice of which has been duly served on the City, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the City executing this Bond Purchase Agreement, threatened against the City, affecting the existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, execution or delivery of the Bonds pursuant to the Indenture, or contesting or affecting as to the City the validity or enforceability of the City Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the City to cause the execution and delivery or adoption by the City of the City Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the City, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Bonds or the authorization, execution, delivery or performance by the City of the City Documents.

(g) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the City shall not be required to execute a general or special consent to service of process or qualify to do

business in connection with any such qualification or determination in any jurisdiction, and the Underwriter shall bear all costs in connection with the foregoing.

(h) As of the date thereof, the Preliminary Official Statement (other than information therein regarding DTC or its book-entry system, information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy, or any information provided by the Underwriters) did not, except for the omission of certain information permitted to be omitted in accordance with the Rule, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) At the time of the City's acceptance hereof, and (unless an event occurs of the nature described in paragraph (k) of this Section 6) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information therein regarding DTC or its book-entry system, information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy or any information provided by the Underwriters) did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) If the Official Statement is supplemented or amended pursuant to paragraph (k) of this Section 6, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information therein provided by the Underwriter) as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) If between the date of this Bond Purchase Agreement and that date which is 25 days after the end of the underwriting period (as determined in accordance with Section 15 hereof) any event of which the officer of the City executing this Bond Purchase Agreement has knowledge shall occur affecting the City which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at its expense prepare and furnish to the Underwriter a reasonable number of copies of such supplement to, or amendment of, the Official Statement in a form and in a manner approved by the City, Bond Counsel, Disclosure Counsel and the Underwriter.

(l) Any certificate signed by any officer of the City and delivered to the Underwriter pursuant to the City Documents or any document contemplated thereby or required for the valid execution and delivery of the Bonds shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(m) The City will cause the proceeds from the sale of the Bonds to be paid to the Trustee for the purposes specified in the Indenture and the Official Statement. So long as any of the Bonds are outstanding and except as may be authorized by the Indenture, the City will not issue or sell, or cause to be issued or sold, any bonds or other obligations, other than the Bonds delivered thereunder, the interest on and premium, if any, or principal of which will be payable from Base Rental Payments.

7. Representations, Warranties and Agreements of the Authority. The Authority represents, warrants and agrees as follows:

(a) The Authority is a joint exercise of powers entity duly organized and validly existing under the laws of the State of California pursuant to a Joint Exercise of Powers Agreement between the City and the Parking Authority of the City of South Lake Tahoe, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022 (the "JPA Agreement").

(b) The Authority has full legal right, power and authority (i) to enter into, execute and deliver the Authority Documents and to sell and deliver the Bonds to the Underwriter as provided herein; and (ii) to carry out and consummate the transactions on its part contemplated by the Authority Documents and the Official Statement.

(c) By all necessary official action, the Authority has duly authorized and approved the issuance of the Bonds and the Authority Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and approved the distribution thereof (including in electronic form), has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations in connection with the execution and delivery of the Bonds on its part contained in the Bonds and the Authority Documents, and the consummation by it of all other transactions contemplated by the Authority Documents in connection with the execution and delivery of the Bonds, all pursuant to the Authority Resolution adopted at a meeting duly called and held in accordance with the requirements of all applicable laws and at which a quorum of the board members of the Authority was continuously present. The Authority Resolution has not been modified, amended or rescinded since the date of its adoption and each Authority Document is or will be, when delivered, as applicable, the valid and binding obligation of the Authority.

(d) The Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or the JPA Agreement, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Authority Documents) or other instrument to which the Authority is a party which breach or default has or may have an adverse effect on the ability of the Authority to perform its obligations under the Bonds or the Authority Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Bonds and the Authority Documents, and compliance with the provisions on the Authority's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, Bond, note, resolution, agreement or other instrument to which the Authority is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Authority Documents.

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations in connection with the issuance of the Bonds under the Authority Documents or the consummation by it of all other transactions

contemplated by the Authority Documents, including all filings with the California Secretary of State, have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations under the Bonds and the Authority Documents have been duly obtained.

(f) The Bonds, when executed, issued, authenticated and delivered in accordance with the Indenture, and sold to the Underwriter as provided herein, will be validly executed and outstanding obligations, entitled to the benefits of the Indenture, and upon such execution and delivery, the Indenture will provide, for the benefit of the Owners from time to time of the Bonds, the legally valid and binding security interest it purports to create.

(g) There is no action, suit, proceeding, inquiry or investigation, notice of which has been duly served on the Authority, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the Authority executing this Bond Purchase Agreement, threatened against the Authority, affecting the existence of the Authority or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance, execution or delivery of the Bonds pursuant to the Indenture, or contesting or affecting as to the Authority the validity or enforceability of the Bonds or the Authority Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Authority to cause the issuance of the Bonds, or the execution and delivery or adoption by the Authority of the Authority Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Authority, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Bonds or the authorization, execution, delivery or performance by the Authority of the Bonds or the Authority Documents.

(h) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Authority shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, and the Underwriter shall bear all costs in connection with the foregoing.

(i) As of the date thereof, the information in the Preliminary Official Statement under the caption "THE AUTHORITY" did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) At the time of the Authority's acceptance hereof, and (unless an event occurs of the nature described in paragraph (l) of this Section 5) at all times subsequent thereto up to and including the Closing Date, the information under the caption "THE AUTHORITY" in the Official Statement (other than information therein regarding DTC or its book-entry system,

information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy or any information provided by the Underwriters) did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) If the Official Statement is supplemented or amended pursuant to paragraph (l) of this Section 7, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information therein regarding DTC or its book-entry system, information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy or any information provided by the Underwriters) as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If between the date of this Bond Purchase Agreement and that date which is 25 days after the end of the underwriting period (as determined in accordance with Section 15 hereof) any event of which the officer of the Authority executing this Bond Purchase Agreement has knowledge shall occur affecting the Authority which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense prepare and furnish to the Underwriter a reasonable number of copies of such supplement to, or amendment of, the Official Statement in a form and in a manner approved by the City, Bond Counsel, Disclosure Counsel and the Underwriter.

(m) Any certificate signed by any officer of the Authority and delivered to the Underwriter pursuant to the Authority Documents or any document contemplated thereby or required for the valid execution and delivery of the Bonds shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(n) The Authority will cause the proceeds from the sale of the Bonds to be paid to the Trustee for the purposes specified in the Indenture and the Official Statement. So long as any of the Bonds are outstanding and except as may be authorized by the Indenture, the Authority will not issue or sell any bonds or other obligations, other than the Bonds delivered thereunder, the interest on and premium, if any, or principal of which will be payable from the Revenues.

(o) The Authority shall honor all other covenants on its part contained in the Indenture and the Sublease which are incorporated herein and made a part of this Bond Purchase Agreement.

8. Closing. At 8:00 A.M., Pacific Daylight time, on August 30, 2023, or on such other date time, as may be mutually agreed upon by the Authority, the City and the Underwriter (the "Closing Date"), the Authority will, subject to the terms and conditions hereof, deliver to the Underwriter, through the facilities of The Depository Trust Company ("DTC"), or at such other place as the Authority, the City and the Underwriter may mutually agree, the Bonds in definitive, fully registered form (one Bond for each maturity), duly executed and registered in the name of Cede & Co. as nominee of DTC; and, subject to the terms and conditions hereof, the

Underwriter shall wire to the Trustee Federal Reserve Bank Funds in the amount of the purchase price of the Bonds.

9. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority and the City of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Authority and the City of their respective obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements the officers and other officials of the Authority and of the City, as the Underwriter, authorized representatives of Bond Counsel, the Trustee, and the City Attorney made in any certification or other documents furnished pursuant to the provisions hereof, and shall also be subject to the following additional conditions:

(a) The respective representations and warranties of the Authority and the City contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) At the time of Closing, the City Documents and the Authority Documents shall be in full force and effect in accordance with their terms and shall not have been amended, modified or supplemented and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter;

(c) All necessary official action of the Authority, the City and of the other parties thereto relating to the City Documents and the Authority Documents shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(d) Subsequent to the date hereof, there shall not have occurred any change in or affecting particularly the Authority, the City or the Bonds, as the foregoing is described in the Official Statement, which in the reasonable opinion of the Underwriter materially impairs the investment quality of the Bonds; and

(e) At or prior to the Closing Date, the Underwriter shall have received copies of each of the following documents:

(i) The Official Statement and each supplement or amendment, if any, thereto, executed by authorized officers of the Authority and the City;

(ii) A copy of the Indenture, executed by the parties thereto;

(iii) A copy of the Sublease, executed by the parties thereto;

(iv) A copy of the Lease Agreement, executed by the parties thereto;

(vi) A copy of the Continuing Disclosure Certificate, executed by the City;

(vii) A certified copy of the JPA Agreement;

(viii) A certificate or certificates of the City, dated the Closing Date, to the effect that:

(A) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the City has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the City at or prior to the Closing Date;

(B) none of the proceedings or authority for (i) the authorization, sale, execution and delivery of the Bonds, (ii) the adoption of the City Resolution, or (iii) the execution and delivery of the City Documents and performance of its obligations thereunder, has been repealed, modified, amended, revoked or rescinded;

(C) except as described in the Official Statement, subsequent to June 30, 2022, and prior to Closing, there have been no material adverse changes in the financial position of the City;

(D) no event affecting the City has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and

(E) No consent is required for the inclusion of the City's 2021-22 audited financial statements in the Official Statement.

(ix) A certificate or certificates of the Authority, dated the Closing Date, to the effect that:

(A) the representations and warranties of the Authority contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the Authority has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the Authority at or prior to Closing Date;

(B) none of the proceedings or authority for (i) the authorization, sale, execution and delivery of the Bonds, (ii) the adoption of the Authority Resolution, or (iii) the execution and delivery of the Authority Documents, has been repealed, modified, amended, revoked or rescinded; and

(C) no event affecting the Authority has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect.

(x) An opinion or opinions, dated the Closing Date and addressed to the Underwriter and the Trustee, of the City Attorney, to the effect that:

(A) The City is a municipal corporation and general law city duly organized and validly existing under the Constitution and laws of the State of California;

(B) The City Documents have been duly approved by a resolution of the City adopted at a meeting duly called and held in accordance with the requirements of all applicable laws, with all public notice required by law, and at which a quorum of the members of the City Council was continuously present and such resolution has not been modified, amended or rescinded since the date of its adoption;

(C) Except as described in the Official Statement, there is no litigation, inquiry, or investigation pending or to the best of such counsel's knowledge after due inquiry, threatened, which: (1) challenges the right or title of any member or officer of the City to hold his or her office or exercise or perform the powers and duties pertaining thereto; (2) challenges the validity or enforceability of the Bonds or the City Documents; (3) seeks to restrain or enjoin the sale of the Bonds or the execution and delivery by the City of, or the performance by the City of its legal obligations under, the City Documents or in which a final adverse decision could materially adversely affect the operations of the City with respect to the Leased Property; or (4) contests in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, nor, to the best of such counsel's knowledge, is there any basis therefor;

(D) The execution and delivery by the City of, and the performance by the City of its obligations under, the City Documents, do not conflict with, violate or constitute a default under any provision of any law, court order or decree or any contract, instrument or agreement to which the City is a party or by which it is bound and of which such counsel has knowledge;

(E) The City Documents have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery of the City Documents by the parties thereto other than the City, the City Documents constitute legal, valid and binding agreements of the City, enforceable against the City in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought.

(F) Except as may be required under the "blue sky" or securities laws of the United States or any state, there is no authorization, approval, consent or other order of, or filing with, or certification by, the State or any other governmental authority or agency within the State having jurisdiction over the City required for the issuance of the Bonds or the consummation by the City of the other financial transactions contemplated by the Official Statement and the City Documents.

(xi) An opinion or opinions, dated the Closing Date and addressed to the Underwriter and the Trustee, of the City Attorney, as counsel for the Authority, to the effect that:

(A) The Authority is a joint exercise of powers authority duly organized and validly existing under the laws of the State of California pursuant to the JPA Agreement;

(B) The Authority Documents have been duly approved by the Authority Resolution adopted at a meeting duly called and held in accordance with the requirements of all applicable laws, with all public notice required by law, and at which a quorum of the members of the Board of the Authority was continuously present and such resolution has not been modified, amended or rescinded since the date of its adoption;

(C) Except as described in the Official Statement, there is no litigation, inquiry, or investigation pending to the best of such counsel's knowledge after due inquiry, or threatened, which: (1) challenges the right or title of any Board member or officer of the Authority to hold his or her office or exercise or perform the powers and duties pertaining thereto; (2) challenges the validity or enforceability of the Bonds or the Authority Documents; (3) seeks to restrain or enjoin the sale of the Bonds or the execution and delivery by the Authority of, or the performance by the Authority of its legal obligations under, the Authority Documents or in which a final adverse decision could materially adversely affect the operations of the Authority with respect to the Leased Property; or (4) contests in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, nor, to the best of such counsel's knowledge, is there any basis therefor;

(D) The execution and delivery by the Authority of, and the performance by the Authority of its obligations under, the Authority Documents, do not conflict with, violate or constitute a default under any provision of any law, court order or decree or any contract, instrument or agreement to which the Authority is a party or by which it is bound and of which such counsel has knowledge; and

(E) The Authority Documents have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery of the Authority Documents by the parties thereto other than the Authority, the Authority Documents constitute legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought.

(F) Except as may be required under the "blue sky" or securities laws of the United States or any state, there is no authorization, approval, consent or other order of, or filing with, or certification by, the State or any other governmental authority or agency having jurisdiction over the Authority required for the issuance of the Bonds or the consummation by the Authority of the other financial transactions contemplated by the Official Statement and the Authority Documents.

(G) Based on the information made available to such City Attorney in its role as counsel to the Authority, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement under the captions

entitled "THE AUTHORITY," and "ABSENCE OF LITIGATION", nothing has come to such City Attorney's attention that would lead it to believe that the statements contained in the above-referenced captions as of the date of the Official Statement and as of the date of Closing (excluding therefrom the financial and statistical data and forecasts included therein, as to which no opinion is expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xii) An opinion, dated the Closing Date and addressed to the Authority, of Bond Counsel, substantially in the form set forth in Appendix E to the Official Statement, together with a letter or letters from such counsel, dated the Closing Date and addressed to the Underwriter and the Trustee, to the effect that the foregoing opinion may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion was addressed to them;

(xiii) A supplemental opinion, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, to the effect that:

(A) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(B) the Bond Purchase Agreement has been duly executed and delivered by the Authority and the City and is a valid and binding agreement of the Authority and the City; and

(C) the statements contained in the Official Statement under the captions "THE BONDS," "SECURITY FOR THE BONDS" and "TAX MATTERS" and in APPENDIX C–"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" and APPENDIX E—FORM OF OPINION OF BOND COUNSEL," insofar as such statements expressly summarize certain provisions of the Indenture, the Sublease, the Lease Agreement and the final opinion of Bond Counsel concerning certain tax matters relating to the Bonds, are accurate in all material respects;

(xiv) A letter, dated the Closing Date and addressed to the Authority, the City and the Underwriter of Jones Hall, A Professional Law Corporation, as disclosure counsel ("Disclosure Counsel"), to the effect that, based on among other things, (i) inquiries and discussions of various legal matters, (ii) review of and reliance on certain documents, certificates, instructions, records and opinions of counsel, and (iii) participation in meetings and telephone conferences with representatives of the Authority and the City, PFM Financial Advisors LLC, as municipal advisor to the City, and others including the City Attorney and Underwriter's counsel, during which the content of the Preliminary Official Statement and the Official Statement and related matters were discussed, no information has come to the attention of Disclosure Counsel with respect to the issuance of the Bonds which caused Disclosure Counsel to believe that (a) the Preliminary Official Statement as of its date or as of the Closing Date (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; information relating to DTC and its book-entry only system; information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy; information under the captions "TAX MATTERS" and "UNDERWRITING"; and the Appendices to the

Preliminary Official Statement, as to which we express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12, including but not limited to information as to pricing, yields, interest rates, maturities, amortization, redemption provisions, ratings, debt service requirements, Underwriters' discount and CUSIP numbers; or (b) the Official Statement as of its date and as of the Closing Date (excluding therefrom financial, demographic, statistical or economic or demographic data; forecasts, numbers, charts, tables, graphs, projections, estimates, assumptions and expressions of opinions; information relating to DTC and its book-entry only system or CUSIP numbers; information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy; information under the captions "TAX MATTERS" and "UNDERWRITING"; and the Appendices to the Official Statement, as to which we express no view) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. However, in providing advice and assistance as Disclosure Counsel, Disclosure Counsel provided no independent diligence on the MSRB's Electronic Municipal Market Access website, and we express no view regarding the City's or the City's related entities' compliance with any obligation to file annual reports or provide notice of events, each as described in Rule 15c2-12;

(xv) the opinion of Quint & Thimmig LLP, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, in form and substance acceptable to the Underwriter.

(xvi) A certificate of an authorized officer of the Trustee satisfactory to the Underwriter, certifying substantially as follows:

(A) The Trustee is a national banking association duly organized and in good standing under the laws of the United States of America and has all necessary power and authority to enter into the Indenture and to perform its duties under the Indenture;

(B) The Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the terms of the Indenture and, when executed by the other parties thereto, the Indenture will constitute a legal, valid and binding obligation of the Trustee enforceable in accordance with its terms as to or against the Trustee (subject to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the supplication of equitable remedied, if equitable remedies are sought);

(C) The Bonds have been duly authenticated by an authorized officer of the Trustee and delivered to the Underwriter pursuant to direction from the Authority;

(D) To the officer's knowledge, the Trustee is not in breach of or default under any law or administrative rule or regulation of the State of California or of any department, division, agency or instrumentality thereof, of any applicable court or administrative decree or order, or any other material instrument to which the Trustee is a party or is otherwise subject or bound and which would

materially impair the ability of the Trustee to perform its obligations under the Indenture;

(E) To the officer's knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way against the Trustee affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the authentication or delivery of the Bonds by the Trustee, the application of the proceeds thereof by the Trustee in accordance with the Indenture, or in any way contesting or affecting the validity or enforceability of the Bonds or the Indenture;

(F) To the officer's knowledge, the execution and delivery of the Indenture by the Trustee will not conflict with or constitute a breach of or default under the Trustee's duties under such documents, or any law, administrative regulation, court decree, resolution, articles of association, bylaws or other material agreement to which the Trustee is subject or by which it is bound; and

(G) To the officer's knowledge, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication and delivery of the Bonds by the Trustee, the execution and delivery of the Indenture by the Trustee, the performance of the Trustee's duties under the Indenture or the consummation by the Trustee of the other transactions contemplated by the Indenture, except as such may be required under the state securities or blue sky laws in connection with the distribution of the Bonds by the Underwriter.

(xvii) An opinion of counsel to the Trustee in form and substance acceptable to the Underwriter;

(xviii) Evidence, satisfactory to Bond Counsel and the Underwriter, of insurance, including a ALTA title insurance policy, in compliance with the Sublease;

(xix) 15c2-12 certificates of City and the Authority;

(xx) Certified copies of the City Resolution and the Authority Resolution;

(xxi) copies of the Municipal Bond Insurance Policy and the Reserve Policy;

(xxii) an opinion of counsel to the Municipal Bond Insurer, addressed to the Authority, the City and the Underwriter to the effect that:

(A) the descriptions of the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy included in the Official Statement are accurate;

(B) the Municipal Bond Insurance Policy and the Reserve Policy constitute the legal, valid and binding obligations of the Municipal Bond Insurer, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditor's rights generally and by the application of equitable principles if equitable remedies are sought, and

(C) as to such other matters as the Authority, the City or the Underwriter may reasonably request;

(xxiii) a certificate of the Municipal Bond Insurer, signed by an authorized officer of the Municipal Bond Insurer, to the effect that:

(A) the information contained in the Official Statement relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy is true and accurate and

(B) as to such other matters as the Authority, the City or the Underwriter may reasonably request;

(xxiv) Evidence, satisfactory to the Underwriter, that the Bonds have been assigned the insured rating of "AA" and an underlying rating of "___" by S&P Global Ratings, a Standard & Poor's Financial Services LLC business;

(xxv) The Blanket Letter of Representations of the Authority to DTC, relating to the book-entry only system;

(xxvi) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the City's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City and the Authority on or prior to the date of the Closing of all the agreements then to be performed and conditions then to be satisfied by each of them.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to Bond Counsel, Disclosure Counsel and the Underwriter.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and none of the Underwriter, the Authority or the City shall be under any further obligation hereunder.

10. Termination. The Underwriter shall have the right to terminate the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Authority and the City in writing, of its election to do so, if, after the execution hereof and prior to the Closing:

(a) the United States has become engaged in, or there has been an escalation of, hostilities which, in the reasonable opinion of the Underwriter, materially adversely affects the marketability or market price of the Bonds;

(b) there shall have occurred the declaration of a general banking moratorium by any authority of the United States or the State of New York or the State of California;

(c) an event shall have occurred, or been discovered as described in paragraph (k) of Section 6 or paragraph (l) of Section 7 hereof, which in the opinion of the Underwriter requires

the preparation and publication of disclosure material or a supplement or amendment to the Official Statement;

(d) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency in the State of California, or a decision by any court of competent jurisdiction within the State of California shall be rendered which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds;

(e) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Authority's or the City's obligations;

(f) legislation shall be introduced, by amendment or otherwise, or be enacted by the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the execution, issuance, delivery, offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby or by the Official Statement;

(g) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(h) the New York Stock Exchange, or other national securities exchange or association or any governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements of broker-dealers;

(i) trading in securities on the New York Stock Exchange or other national securities exchange or association shall have been suspended or limited or minimum prices have been established on either such exchange;

(j) any action shall have been taken by any government in respect of its monetary affairs which, in the reasonable opinion of the Underwriter, has a material adverse effect on the United States municipal securities market; or as of the date hereof that in the Underwriter's reasonable opinion materially adversely affects the marketability or market price of the Bonds; or

(k) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets.

If this Bond Purchase Agreement shall be terminated pursuant to this Section 10, or if the purchase provided for herein is not consummated because any condition to the Underwriter's obligations hereunder is not satisfied or because of any refusal, inability or failure on the part of the City or the Authority to comply with any of the terms or to fulfill any of the conditions of this Bond Purchase Agreement, or if for any reason the City or the

Authority shall be unable to perform all of its respective obligations under this Bond Purchase Agreement, neither the City nor the Authority shall be liable to the Underwriter for damages on account of loss of anticipated profits arising out of the transactions covered by this Bond Purchase Agreement. The Underwriter may, in its sole discretion, waive any of the conditions set forth in Section 9 or this Section 10.

11. Changes in Official Statement. After the Closing, neither the Authority nor the City will adopt any amendment of or supplement to the Official Statement to which the Underwriter shall reasonably object in writing.

12. Payment of Costs and Expenses.

(a) All costs and expenses incident to the sale and delivery of the Bonds to the Underwriter shall be payable by the Authority from the proceeds of the Bonds, including, but not limited to: (i) the fees and expenses of the City, its counsel and consultants; (ii) the fees and expenses of the Authority, its counsel and consultants; (iii) the fees and expenses of Bond Counsel; (iv) the fees and expenses of Disclosure Counsel; (v) the fees and expenses of PFM Financial Advisors LLC, the City's municipal advisor; (vi) all expenses in connection with the preparation and printing of the Bonds; (vii) all expenses in connection with the preparation, printing, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto; (viii) the initial fees and expenses of the Trustee, including the reasonable fees and expenses of its counsel; (ix) the fees and expenses of any rating agency rating the Bonds; and (x) any credit enhancement costs for the Bonds.

(b) The Underwriter shall pay all expenses incurred by it in connection with the public offering and distribution of the Bonds including, but not limited to: (i) all advertising expenses in connection with the offering of the Bonds; (ii) the fees and disbursements of Underwriter's counsel, if any, and (iii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, including, air travel and hotel accommodations in connection with the pricing of the Bonds; investor meetings, rating agency trips and meetings; the Closing; meals and transportation for the City, the Underwriter and other working group personnel during rating agency, investor meetings; pricing and Closing trips; expenses related to attending working group meetings, such as parking, meals and transportation and any other miscellaneous costs associated with the Closing; (iv) all other expenses incurred by the Underwriter in connection with the public offering and distribution of Bonds, except as provided in (a) above or as otherwise agreed to by the Underwriter and the City, and (v) the fees of the California Debt and Investment Advisory Commission.

13. Notices. Any notice or other communication to be given under this Bond Purchase Agreement may be given by delivering the same in writing:

To the Authority:	South Tahoe Joint Powers Financing Authority c/o City of South Lake Tahoe 1901 Lisa Maloff Way, Suite 210 South Lake Tahoe, CA 96150 Attention: Executive Director
To the City:	City of South Lake Tahoe 1901 Lisa Maloff Way, Suite 210 South Lake Tahoe, CA 96150 Attention: City Manager
To the Underwriter:	Stifel, Nicolaus & Company, Incorporated One Montgomery Street, 35th Floor San Francisco, CA 94014 Attention: Ms. Eileen Gallagher, Managing Director

14. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Authority's and the City's representations, warranties and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of: (a) any investigations made by or on behalf of the Underwriter; (b) delivery of and payment for the Bonds pursuant to this Bond Purchase Agreement; and (c) any termination of this Bond Purchase Agreement.

15. Determination of End of the Underwriting Period. For purposes of this Bond Purchase Agreement, the end of the underwriting period for the Bonds shall mean the earlier of (a) the Closing Date unless the City and the Authority have been notified in writing by the Underwriter, on or prior to the Closing Date, that the "end of the underwriting period" for the Bonds for all purposes of the Rule will not occur on the Closing Date, or (b) the date on which notice is given to the City and the Authority by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the City and the Authority pursuant to clause (a) above that the "end of the underwriting period" for the Bonds will not occur on the Closing Date, the Underwriter agrees to notify the City and the Authority in writing as soon as practicable following the "end of the underwriting period" for the Bonds for all purposes of the Rule. The Underwriter agrees to file a copy of the Official Statement with each of the nationally recognized municipal securities information repositories.

16. No Assignment. This Bond Purchase Agreement is entered into between the City, the Authority and the Underwriter, and is solely for the benefit of the City, the Authority, the Underwriter and their respective successors or assigns, and no person other than the foregoing shall acquire or have any right under or by virtue of this Bond Purchase Agreement. All of the representations, warranties and agreements contained in this Bond Purchase Agreement shall survive the delivery of and payment for the Bonds and any termination thereof.

17. Effectiveness. This Bond Purchase Agreement shall become effective upon the execution of the acceptance by an authorized representative of the City and an authorized representative of the Authority and shall be valid and enforceable at the time of such acceptance.

18. Headings. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

19. Governing Law. This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.

20. Counterparts. This Bond Purchase Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

If the foregoing is in accordance with your understanding of this Bond Purchase Agreement please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the City, the Authority and the Underwriter in accordance with its terms.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By _____
Managing Director

SOUTH TAHOE JOINT POWERS
FINANCING AUTHORITY

By _____
Executive Director

CITY OF SOUTH LAKE TAHOE

By _____
City Manager

Time of Execution: _____

EXHIBIT A

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES AND YIELDS

$_____
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, 2023 Series A

Maturity (October 1)	Principal Amount	Interest Rate	Yield	Price

_____
c Priced to the 10/1/20__ par call date.
T Term maturity

Redemption Provisions

Special Mandatory Redemption from Insurance or Condemnation Proceeds

The Bonds shall be subject to redemption, in whole or in part, on any date, in denominations of $5,000 or any integral multiple thereof, from and to the extent of: (i) Net Insurance Proceeds received with respect to all or a portion of the Leased Property, deposited by the Trustee in the Redemption Fund pursuant to the Indenture, and (ii) eminent domain proceeds received pursuant to the Sublease, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Optional Redemption

The Bonds maturing on or after October 1, ____, are subject to optional redemption, in whole or in part, on any date on or after October 1, ____, in denominations of $5,000 or any integral multiple thereof, from and to the extent of prepaid Base Rental Payments paid pursuant to the Sublease, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption

The Bonds with a stated maturity on October 1, ____, are subject to mandatory sinking fund redemption in part (by lot) on each October 1 on and after October 1, ____, in integral multiples of $5,000 at a Redemption Price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Mandatory Sinking Account Payment Dates (October 1)	Mandatory Sinking Account Payments

† Maturity

EXHIBIT B

ISSUE PRICE CERTIFICATE

$_____
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, 2023 Series A

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated, as underwriter ("Stifel"), based on the information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

I. General

1. Stifel and the South Tahoe Joint Powers Financing Authority and City of South Lake Tahoe (collectively, the "Issuer") have executed a bond purchase agreement in connection with the Bonds on the Sale Date. Stifel has not modified the bond purchase agreement since its execution on the Sale Date.

II. Price

1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

III. Defined Terms

1. Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

2. Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

3. A person is a "Related Party" to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

4. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August 16, 2023.

5. Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with Stifel to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

All terms not defined herein shall have the same meanings as in the Tax Certificate with respect to the Bonds, to which this Certificate is attached.

The Issuer may rely on the statements made herein in connection with its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel may also rely on this Certificate for purposes of its opinion regarding the treatment of interest on the

Bonds as excludable from gross income for federal income tax purposes. However, notwithstanding the foregoing, we remind you that Stifel is not an accountant or actuary, nor is Stifel engaged in the practice of law. Accordingly, while Stifel believes the calculations described above to be correct, it does not warrant their validity for purposes of Sections 103 and 141 through 150 of the Code or make any representation as to the legal sufficiency of the factual matters set forth herein. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

Dated: August 30, 2023

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By _____
Managing Director

SCHEDULE A TO ISSUE PRICE CERTIFICATE

$_____
SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds, 2023 Series A

Hold-the-Offering Price Maturities	General Rule Maturities	Maturity Date (October 1)	Principal Amount	Interest Rate	Price

c Priced to the 10/1/20__ par call date.
T Term maturity

==========

INDENTURE

by and between the

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

as Trustee

Dated as of August

Relating to

$[principal amount]
South Tahoe Joint Powers Financing Authority
Lease Revenue Bonds
2023 Series A

==========

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS....2
SECTION 1.01 Definitions....2
SECTION 1.02 Rules of Construction....13
SECTION 1.03 Equal Security....13
ARTICLE II AUTHORIZATION....13
SECTION 2.01 Authorization....13
SECTION 2.02 Terms of Bonds....14
SECTION 2.03 Redemption of Bonds....15
SECTION 2.04 Form of Bonds....17
SECTION 2.05 Execution of Bonds....18
SECTION 2.06 Transfer of Bonds....18
SECTION 2.07 Exchange of Bonds....19
SECTION 2.08 Temporary Bonds....19
SECTION 2.09 Registration Books....19
SECTION 2.10 Bonds Mutilated, Lost, Destroyed or Stolen....19
SECTION 2.11 Book-Entry System....20
ARTICLE III ISSUANCE....22
SECTION 3.01 Issuance of Bonds....22
SECTION 3.02 Application of Proceeds of Sale of Bonds....22
SECTION 3.03 Costs of Issuance Fund....22
SECTION 3.04 Project Fund....22
SECTION 3.05 Validity of Bonds....23
SECTION 3.06 Additional Bonds....23
ARTICLE IV REVENUES....24
SECTION 4.01 Pledge of Revenues....24
SECTION 4.02 Lease Revenue Fund....25
SECTION 4.03 Redemption Fund....26
SECTION 4.04 Application of Net Proceeds....27
SECTION 4.05 Investments....28
SECTION 4.06 Valuation and Disposition of Investments....29
ARTICLE V COVENANTS OF THE AUTHORITY....29
SECTION 5.01 Punctual Payment....29
SECTION 5.02 Extension of Payment of Bonds....29
SECTION 5.03 Against Encumbrances....29
SECTION 5.04 Power to Issue Bonds and Make Pledge and Assignment....30
SECTION 5.05 Accounting Records and Financial Statements....30
SECTION 5.06 Additional Obligations....30
SECTION 5.07 Sublease....30
SECTION 5.08 Tax Covenants....31
SECTION 5.09 Continuing Disclosure....31

TABLE OF CONTENTS (cont.)

Page

SECTION 5.10 Further Assurances 32
ARTICLE VI THE TRUSTEE 32
SECTION 6.01 Appointment of Trustee 32
SECTION 6.02 Acceptance of Trusts 32
SECTION 6.03 Fees, Charges and Expenses of Trustee 36
SECTION 6.04 Notice to Bond Owners of Default 36
SECTION 6.05 Intervention by Trustee 36
SECTION 6.06 Removal of Trustee 37
SECTION 6.07 Resignation by Trustee 37
SECTION 6.08 Appointment of Successor Trustee 37
SECTION 6.09 Merger or Consolidation 37
SECTION 6.10 Concerning any Successor Trustee 37
SECTION 6.11 Appointment of Co-Trustee 38
SECTION 6.12 Indemnification 38
SECTION 6.13 Trustee Acceptance of Electronic Instructions 39
SECTION 6.14 Direction to Execute Assignment Agreement 40
ARTICLE VII MODIFICATION AND AMENDMENT OF THE INDENTURE 40
SECTION 7.01 Amendment of Indenture 40
SECTION 7.02 Effect of Supplemental Indenture 41
SECTION 7.03 Endorsement or Replacement of Bonds After Amendment 42
ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS 42
SECTION 8.01 Events of Default 42
SECTION 8.02 Remedies 43
SECTION 8.03 Application of Revenues and Other Funds after Default 43
SECTION 8.04 Power of Trustee to Control Proceedings 44
SECTION 8.05 Appointment of Receivers 44
SECTION 8.06 Non-Waiver 44
SECTION 8.07 Rights of Bond Owners 45
SECTION 8.08 Termination of Proceedings 45
ARTICLE IX MISCELLANEOUS 46
SECTION 9.01 Limited Liability of Authority 46
SECTION 9.02 Benefits of Indenture Limited 46
SECTION 9.03 Discharge of Indenture 46
SECTION 9.04 Trustee's Additional Acknowledgment of Certain Provisions of the Sublease 47
SECTION 9.05 Successor Is Deemed Included in All References to Predecessor 47
SECTION 9.06 Content of Certificates and Opinions 47
SECTION 9.07 Execution of Documents by Bond Owners 48

TABLE OF CONTENTS (cont.)

Page

SECTION 9.08 Disqualified Bonds 48
SECTION 9.09 Waiver of Personal Liability 48
SECTION 9.10 Partial Invalidity 48
SECTION 9.11 Destruction of Canceled Bonds 49
SECTION 9.12 Funds and Accounts 49
SECTION 9.13 Payment on Business Days 49
SECTION 9.14 Notices 49
SECTION 9.15 Unclaimed Moneys 50
SECTION 9.16 Governing Law 50
SECTION 9.17 Execution in Counterparts 50

EXHIBIT A – FORM OF BOND A-1
EXHIBIT B – FORM OF REQUISITION (COSTS OF ISSUANCE FUND) B-1
EXHIBIT C – FORM OF REQUISITION (PROJECT FUND) C-1

INDENTURE

This Indenture, dated as of August 1, 2023, is made and entered into by and between the South Tahoe Joint Powers Financing Authority, a joint powers authority organized and existing under the laws of the State of California (the "Authority") and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States of America, being qualified to accept and administer the trusts hereby created (the "Trustee").

RECITALS:

A. The Authority is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, by and between the City of South Lake Tahoe (the "City") and the Parking Authority of the City of South Lake Tahoe, and under the provisions of Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act to issue bonds to provide financing for public capital improvements; and

B. The Authority has determined to issue its Lease Revenue Bonds, 2023 Series A (the "Bonds") to assist the City with financing the cost of construction of a new multigenerational recreation center.

C. In conjunction with the issuance of the Bonds, the Authority and the City are entering into: (1) the Lease Agreement, dated as August 1, 2023, by and between the City, as the lessor, and the Authority, as the lessee, and (2) the Sublease, dated as August 1, 2023 (the "Sublease"), by and between the Authority, as the sublessor, and the City, as the sublessee.

D. The Authority has assigned, without recourse, all its rights to receive "Base Rental" payments (the "Base Rental Payments") to be paid by the City under and pursuant to the Sublease and certain other rights to the Trustee pursuant to an Assignment Agreement, dated as of even date herewith, by and between the Authority and the Trustee.

E. Subject to and in accordance with the terms of this Indenture, the Base Rental Payments to be received by the Trustee shall be held in a special fund pledged to the payment of the debt service of the Bonds.

F. The Bonds shall be issued pursuant to and secured by this Indenture in the manner provided herein.

G. In order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the payment of the principal thereof and interest thereon, and premium, if any, the Authority has authorized the execution and delivery of this Indenture.

H. The Authority has determined that all acts and proceedings required by law necessary to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I
DEFINITIONS; EQUAL SECURITY

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any Supplemental Indenture and of the Bonds and of any certificate, opinion, request or other document herein mentioned have the meanings herein specified.

"Act" means Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State, as in existence on the Closing Date or as thereafter amended from time to time.

"Additional Bonds" means additional bonds payable from and secured by Revenues on parity with all other Outstanding Bonds issued pursuant to and in accordance with Section 3.06 hereof.

"Additional Rental Payments" means the additional rental payable by the City under and pursuant to Section 3(b) of the Sublease.

"Annual Debt Service" means, with respect to any Bond Year, the sum obtained by totaling the following:

(a) The principal amount of all Outstanding Bonds maturing in such Bond Year; and

(b) The interest which would be due during such Bond Year on the aggregate principal amount of Bonds which would be Outstanding in such Bond Year if the Bonds Outstanding on the date of such computation were to mature in accordance with the applicable maturity schedule. At the time and for the purpose of making such computation, the amount

of Bonds already retired in advance of the above- mentioned schedule or schedules shall be deducted pro rata from the remaining amounts thereon.

"Assignment Agreement" means the Assignment Agreement, dated as of August 1, 2023, by and between the Authority and the Trustee (as described in Section 4.01), as the same may be amended, supplemented or otherwise modified from time to time.

"Authority" means the South Tahoe Joint Powers Financing Authority, a joint powers authority duly organized and existing under the JPA Agreement and the laws of the State.

"Authority Governing Board" means the governing body of the Authority.

"Average Annual Debt Service" means the average Annual Debt Service over all Bond Years.

"Base Rental" or "Base Rental Payments" means the base rental payable by the City under and pursuant to Section 3(a) of the Sublease.

"Bond Counsel" means any attorney or firm of attorneys appointed by or acceptable to the Authority of nationally recognized expertise in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

"Bond Law" means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act, as in existence on the Closing Date or as thereafter amended from time to time.

"Bond Year" means each twelve-month period extending from October 2 in one calendar year to October 1 of the succeeding calendar year, both dates inclusive, except that the first Bond Year shall be the period from the Closing Date to October 1, 2023.

"Bonds" means the South Tahoe Joint Powers Financing Authority, Lease Revenue Bonds, 2023 Series A, issued pursuant to this Indenture.

"Business Day" means a day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in the city in which the Trustee maintains its Trust Office are authorized or required by law or executive order to close or (iii) a day on which the New York Stock Exchange is closed.

"Certificate of the Authority" means a certificate in writing signed by the Chair, Vice Chair, Executive Director, or the Controller of the Authority or by any other officer of the Authority duly authorized for that purpose by a resolution adopted by the Authority Commission and filed with the Trustee.

"Certificate of the City" means a certificate in writing signed by the Mayor, Mayor Pro Tem, the City Manager, or the Director of Finance, or by any other officer of the City duly authorized for that purpose.

"City" means the City of South Lake Tahoe, California.

"Closing Date" means [August 30], 2023.

"Code" means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

"Continuing Disclosure Agreement" means the continuing disclosure undertaking of the City relating to the Bonds in connection with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as originally executed and as the same may be amended and supplemented from time to time in accordance with the terms thereof.

"Costs of Issuance" means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds, including but not limited to all compensation, fees and expenses (including but not limited to fees and expenses for legal counsel) of the Authority, the City and the Trustee, compensation to any financial consultants or underwriters, legal fees and expenses, filing and recording costs, costs of obtaining title insurance with respect to the Leased Properties, costs relating to conveyance of the Leased Properties, rating agency fees, costs of preparation and reproduction of documents, costs of printing, bond insurance premiums and fees and costs for any guaranty, surety bond, letter of credit or other credit facility.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.03.

"Depository" means The Depository Trust Company, New York, New York, and its successors and assigns as securities depository for the Bonds, or any other securities depository acting as Depository under Section 2.11.

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

"Federal Securities" means any direct, noncallable obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), or other noncallable obligations for which the faith and credit of the United States of America are pledged for the payment of principal and interest.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "fair market value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if: (i) the investment is a certificate of deposit the value of which is determined in accordance with applicable regulations under the Code, (ii) the

investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) the value of which is determined in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security-State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State, but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States of America.

"Fiscal Year" means any twelve-month period extending from October 1 in one calendar year to September 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

"Indenture" means this Indenture, as originally executed or as it may from time to time be amended or supplemented in accordance herewith.

"Independent Certified Public Accountant" means any certified public accountant or firm of certified public accountants appointed and paid by the Authority, and who, or each of whom: (i) is in fact independent and not under domination of the Authority or the City; (ii) does not have any substantial interest, direct or indirect, in the Authority or the City; and (iii) is not connected with the Authority or the City as an officer or employee of the Authority or the City but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the City.

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board, at www.emma.msrb.org; provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Information Services shall mean such other organizations providing information with respect to called bonds as the Authority may designate to the Trustee in writing.

"Interest Account" means the account by that name established and held by the Trustee pursuant to Section 4.02(a).

"Interest Payment Date" means April 1 and October 1 of each year, commencing [April 1, 2024].

"JPA Agreement" means the Joint Exercise of Powers Agreement, dated as of January 3, 1989, as amended by Amendment No. 1, dated as of March 1, 2022, entered into under the Act by the City and the Parking Authority of the City of South Lake Tahoe, together with any amendments thereof and supplements thereto.

"Lease" means the Lease Agreement, dated as of even date herewith, by and between the City, as the lessor, and the Authority, as the lessee, as the same may be amended, supplemented or otherwise modified from time to time.

"Lease Revenue Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.02.

"Leased Properties" has the meaning given to such term in the Sublease.

"Maximum Annual Debt Service" means, with respect to the Bonds, the largest Annual Debt Service during the period from the date of calculation through the final maturity date of any Outstanding Bonds.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns, or if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Authority.

"Net Proceeds" means any insurance or condemnation proceeds, paid with respect to the Leased Properties remaining after payment therefrom of all expenses in the collection thereof.

"Nominee" means the nominee of the Depository, which initially will be Cede & Co., as determined from time to time pursuant to Section 2.11.

"Original Purchaser" means, Stifel Nicolaus & Company, Incorporated.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.08) all Bonds theretofore executed, issued and delivered by the Authority under this Indenture except:

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

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

(c) Bonds in lieu of which or in substitution for which other Bonds shall have been executed, issued and delivered pursuant to this Indenture or any Supplemental Indenture.

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

"Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository.

"Permitted Investments" mean any of the following obligations if and to the extent that they are permissible investments of funds of the Authority and/or the City, as applicable (provided, that the Trustee shall be entitled to rely upon a Certificate of the Authority as conclusive certification to the Trustee that the investments described therein are permissible investment of funds of the Authority):

(a) Direct obligations of the United States (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States (stripped securities are only permitted if they have been stripped by the agency itself):

1. Farmers Home Administration ("FmHA") Certificates of beneficial ownership
2. Federal Housing Administration Debentures ("FHA")
3. General Services Administration Participation certificates
4. Government National Mortgage Association ("GNMA")

   GNMA—guaranteed mortgage-backed bonds

   GNMA—guaranteed pass-through obligations (participation certificates)
5. United States Maritime Administration Guaranteed Title XI financing
6. United States Department of Housing and Urban Development Project Notes Local Authority Bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit United States government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System

   Senior debt obligations (consolidated debt obligations)
2. Federal Home Loan Mortgage Corporation ("FHLMC")

   Participation Certificates

   Senior debt obligations
3. Federal National Mortgage Association ("FNMA")

Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal)

4. Student Loan Marketing Association ("SLMA")

   Senior debt obligations

5. Resolution Funding Corporation ("REFCORP")

   Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form are acceptable

6. Farm Credit System

   Consolidated system-wide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of "AAAm-G," "AAA-m" or "AA-m" and if rated by Moody's rated "Aaa," "Aa1" or "Aa2," including funds for which the Trustee or any of its affiliates (including any holding company, subsidiaries, or other affiliates) receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise.

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must have a year or less maturity. Such certificates must be issued by commercial banks (including affiliates of the Trustee), savings and loan associations or mutual savings banks whose short term obligations are rated "A-1+" or better by S&P and "Prime-1" by Moody's. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates) which are fully insured by FDIC, including BIF and SAIF.

(g) Investment agreements, including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements.

(h) Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1+" or better by S&P.

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank (including those of the Trustee and its affiliates) which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1+" or better by S&P.

(k) Repurchase agreements which provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee (buyer/lender), and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date, and

1. Repurchase agreements must be between the municipal entity and a dealer bank or securities firm:

A. Primary dealers on the Federal Reserve reporting dealer list which are rated "A" or better by S&P and Moody's, or

B. Banks rated "A" or above by S&P and Moody's.

2. The written repurchase agreements contract must include the following:

A. Securities which are acceptable for transfer are:

(1) Direct United States governments, or

(2) Federal agencies backed by the full faith and credit of the United States government (and FNMA and FHLMC)

B. The term of a repurchase agreement may be up to 30 days.

C. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

D. The trustee has a perfected first priority security interest in the collateral.

E. Collateral is free and clear of third-party liens and in the case of SIPC broker was not acquired pursuant to a repurchase agreement or a reverse repurchase agreement.

F. Failure to maintain the requisite collateral percentage, after a two-day restoration period, will require the Trustee to liquidate the collateral.

G. Valuation of Collateral

1. The securities must be valued weekly, marked-to-market at current market price plus accrued interest

2. The value of collateral must be equal to 104 percent of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repurchase agreement plus accrued interest. If the value of securities held as collateral slips below 104 percent of the value of the cash

transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105 percent.

3. A legal opinion must be delivered to the municipal entity to the effect that the repurchase agreement meets guidelines under state law for legal investment of public funds.

(l) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If, however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash. direct United States or United States guaranteed obligations or "AAA" rated pre-refunded municipals to satisfy this condition.

(m) The Local Agency Investment Fund in the treasury of the State.

"Principal Account" means the account by that name established and held by the Trustee pursuant to Section 4.02(b).

"Projects" means the following City projects (all of which constitute "public capital improvements" as defined in the Act): (i) the construction of a new multigenerational recreation center, and (ii) such other public infrastructure improvements to be determined by the City.

"Project Costs" means, with respect to a Project, the costs, expenses and liabilities paid or incurred or to be paid or incurred by the City or the Authority, all calculated in accordance with generally accepted accounting principles, in connection with acquisition(s), financing, planning, engineering, design, construction and installation(s) relating to such Project or any portion thereof, and the obtaining of all governmental approvals, certificates, permits and licenses with respect thereto, including but not limited to (a) the costs of acquisition, renovation or construction of real or personal property or any interest therein, (b) any good faith or other similar payment or deposits, (c) the costs of any demolitions or relocation necessary in connection therewith, (d) costs of physical construction and costs incidental to such construction, renovation or acquisition, (e) all costs relating to injury and damage claims, (f) the costs of any indemnity or surety bonds and premiums on insurance, including obligations to a stock, mutual or reciprocal insurance company or exchange, (g) preliminary investigation and development costs, (h) engineering fees, contractors' fees, legal fees and expenses, and any other fees and expenses of professional consultants and (i) the costs of labor, materials, equipment and utility services and supplies, (j) administrative and general overhead expenses and costs of keeping accounts and making reports required by the Indenture or the Sublease prior to or in connection with the completion of such Project, (k) all federal, state and local taxes and payments in lieu of taxes legally required to be paid in connection with such Project prior to or in connection with the completion of such Project. It is intended that this definition of Project Costs be broadly construed to encompass all costs, expenses and liabilities of the City and the Authority which are chargeable to the capital accounts of related Project in accordance with generally accepted accounting principles.

"Project Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.04.

["Qualified Reserve Account Credit Instrument" means an irrevocable standby or direct-pay letter of credit, surety bond or debt service reserve insurance policy issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 4.02(c), provided that all of the following requirements are met: (i) at the time of issuance of such instrument, the long-term credit rating of such bank is within the two highest rating categories (without regard to the numerical or plus/minus modifiers) of Moody's or S&P, or the claims paying ability of such insurance company is rated within the two highest rating categories (without regard to the numerical or plus/minus modifiers) of S&P or A.M. Best & Company, or if any of the Bonds are insured, the long-term credit rating of the claims paying ability of such insurance company is at least as high as the insured rating of the Bonds; (ii) such letter of credit, surety bond or insurance policy has a term which ends no earlier than the last Interest Payment Date of the Bonds to which the Reserve Requirement applies; (iii) such letter of credit, surety bond or insurance policy has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 4.02(c); and (iv) the Trustee is authorized pursuant to the terms of such letter of credit, surety bond or insurance policy to draw thereunder amounts necessary to carry out the purposes specified in Section 4.02(c), including the replenishment of the Interest Account or the Principal Account.]

"Record Date" means, with respect to any Interest Payment Date, the fifteenth calendar day of the month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

"Redemption Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.03.

"Registration Books" means the records maintained by the Trustee pursuant to Section 2.09 for the registration and transfer of ownership of the Bonds.

"Rental Payments" means collectively the Base Rental Payments and the Additional Rental Payments.

"Representation Letter" means the Blanket Issuer Letter of Representations, dated November 17, 1995, from the Authority to DTC, qualifying bonds issued by the Authority for the Depository's book-entry system, as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute depository.

"Request of the Authority" means a request in writing signed by the Chair, Vice Chair, Executive Director, or the Controller of the Authority, or by any other officer of the Authority duly authorized for that purpose by a resolution adopted by the Authority Commission and filed with the Trustee.

"Request of the City" means a request in writing signed by the Mayor, Mayor Pro Tem, City Manager, Director of Finance or by any other officer of the City duly authorized for that purpose.

["Reserve Account" means the account by that name established and held by the Trustee pursuant to Section 4.02(c).

"Reserve Requirement" means as of any calculation date, an amount equal to the least of (i) ten percent of the proceeds (within the meaning of Section 148 of the Code) of the Bonds upon issuance; (ii) 125 percent of Average Annual Debt Service of the Bonds; or (iii) Maximum Annual Debt Service of the Bonds. The amount of the Reserve Requirement on any date is subject to confirmation by the Authority to the Trustee upon the Trustee's request.]

"Responsible Officer" means, when used with respect to the Trustee, any managing director, president, vice president, senior associate, associate or other officer of the Trustee within the Trust Office (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Trust Office because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Indenture.

"Revenues" means (a) all Base Rental Payments payable by the City pursuant to the Sublease (including prepayments); (b) any proceeds of Bonds originally deposited with the Trustee and held by the Trustee in the Lease Revenue Fund and the accounts thereof; (c) investment income with respect to any moneys held by the Trustee in the Lease Revenue Fund and the accounts thereof (other than amounts payable to the United States of America pursuant to Section 5.08); and (d) any insurance proceeds or condemnation awards received by or payable to the Trustee with respect to the Leased Properties, including rental interruption insurance.

"S&P" means S&P Global Ratings, its successors and assigns, or if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Authority.

"Securities Depositories" means The Depository Trust Company, 55 Water Street, New York, New York 10041, Attn: Call Notification Department, Fax (212) 855-7232 and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a Certificate of the Authority delivered to the Trustee.

"State" means the State of California.

"Sublease" means the Sublease, dated as of August 1, 2023, with respect to the Leased Properties, by and between the Authority as sublessor and the City as sublessee, as the same may be amended, supplemented or otherwise modified from time to time.

"Supplemental Indenture" means any agreement supplemental to or amendatory of this Indenture entered into in accordance with the provisions of Article VII.

"Tax Certificate" means the Certificate Regarding Compliance with Certain Tax Matters (or similar instrument) dated the date of the original delivery date of the Bonds relating to the requirements of certain provisions of the Code, as such certificate may from time to time be modified or supplemented in accordance with the terms thereof.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government that such interest is excluded from gross income for federal income tax purposes whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating tax liabilities, including any alternative minimum tax, under the Code.

"Trust Office" means the corporate trust office of the Trustee in Los Angeles, California or such other offices as may be specified to the Authority by the Trustee in writing. With respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust business shall be conducted.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., and its successors and assigns, and any other corporation or association that may at any time be substituted in its place as provided in Article VI.

SECTION 1.02 Rules of Construction. All references in this Indenture to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words "herein," "hereof," "hereunder," and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract between the Authority and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II
AUTHORIZATION; GENERAL PROVISIONS

SECTION 2.01 Authorization; Designation. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts

required by law to exist, to happen and to be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized under the JPA Agreement and the Bond Law and each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture. Accordingly, the Authority hereby authorizes the issuance of the Bonds pursuant to the Bond Law and this Indenture for the purposes described in the recitals hereof.

The Bonds are authorized to be issued by the Authority under and subject to the Bond Law and the terms of this Indenture and shall be designated the South Tahoe Joint Powers Financing Authority Lease Revenue Bonds, 2023 Series A, and shall be issued in the original aggregate principal amount of ___ Dollars ($[principal amount]).

SECTION 2.02 Terms of Bonds. The Bonds shall be dated the Closing Date, shall mature on the dates and in the amounts, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

Maturity Date (October 1)	Principal Amount	Interest Rate Per Annum	Maturity Date (October 1)	Principal Amount	Interest Rate Per Annum

The Bonds shall be delivered in fully registered form, numbered from one upwards in consecutive numerical order (with such alphabetical prefix as the Trustee shall determine). The Bonds shall be executed and delivered in the denominations of $5,000 and any integral multiple thereof.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) it is authenticated during the period from the day after the Record Date for an Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated on or prior to the Record Date for the first Interest Payment Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of registration of any Bond, interest with respect to such Bond is in default, such Bond shall bear interest from the Interest Payment Date to which interest has been paid or made available for payment with respect to such Bond.

Interest with respect to any Bond shall be payable in lawful money of the United States of America on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Subject to Section 2.11, interest on the Bonds shall be paid by check or draft of the Trustee, mailed by first class mail no later than the Interest Payment Date to the Owner at such Owner's address as it appears, on such Record Date, on the Registration Books maintained by the Trustee; provided, however, that at the written request of the Owner of at least $1,000,000 in aggregate principal amount of Outstanding Bonds filed with the Trustee prior to any Record Date, interest on such Bonds shall be paid to such Owner on each

succeeding Interest Payment Date (unless such request has been revoked in writing) by wire transfer of immediately available funds to an account in the United States designated in such written request. Payments of defaulted interest with respect to the Bonds shall be paid by check or draft to the Owners as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the Owners of the Bonds not less than ten days prior thereto. The principal of and premium, if any, on the Bonds are payable by check when due upon surrender thereof at the Trust Office in lawful money of the United States of America.

SECTION 2.03 Redemption of Bonds.

(a) Extraordinary Redemption. The Bonds are subject to redemption prior to their respective maturity dates, upon notice as provided below, as a whole or in part on a pro rata basis (as much as practicable) among the maturities, on any date, from amounts on deposit in the Redemption Fund pursuant to Section 9 of the Sublease (from Net Proceeds received by the City from insurance payments or condemnation awards with respect to the Leased Properties or any portion thereof under the circumstances and upon the conditions and terms prescribed in the Sublease, together with additional money, if any, transferred by the City at its discretion for such purpose).

Redemption pursuant to this subsection (a) shall be made at a redemption price equal to the sum of the principal of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

(b) Redemption Resulting from Prepayments of Base Rental. The Bonds maturing on or after October 1, [2033], shall be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under Section 11(b) of the Sublease on any date with respect to which such prepayment have been made (which shall be on or after October 1, [2032]). The Bonds called for redemption pursuant to this Section 2.03(b) shall be redeemed at a redemption price equal to 100 percent of the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

(c) Redemption Resulting from Sinking Account Payments. The Bonds maturing on October 1, 20__ and October 1, 20__ shall be subject to redemption in part by lot from sinking account payments made by the Authority, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, if some but not all of the Term Bonds of a maturity have been redeemed pursuant to Section 2.03(a) or 2.03(b), each future sinking account payment with respect to such Term Bonds will be reduced on a pro rata basis (as nearly as practicable) in integral multiples of $5,000, so that the total amount of sinking account payments with respect to such Term Bonds to be made subsequent to a Section 2.03(a) extraordinary redemption or a Section 2.03(b) optional redemption shall be reduced by an amount equal to the principal amount of the Term Bonds so redeemed, all as shall be designated pursuant to written notice filed by the Authority with the Trustee:

Bonds Maturing on October 1, 20__

Redemption Date (October 1)	Principal Amount to be Redeemed

_____
* maturity

Bonds Maturing on October 1, 20__

Redemption Date (October 1)	Principal Amount to be Redeemed

_____
* maturity

In lieu of a redemption pursuant to this Section 2.03(c), the Trustee may apply amounts in the Principal Account to purchase Term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as may be directed by the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to such Bonds, as set forth in writing by the Authority; provided, however, that no Term Bonds shall be purchased by the Trustee hereunder with a settlement date more than 60 days prior to the date on which the Authority would otherwise redeem such Term Bonds pursuant to this Section 2.03(c). The principal amount of any Term Bonds so purchased by the Trustee shall be credited towards and shall reduce the Principal Account payment otherwise required to be made with respect to such Term Bonds on the applicable redemption date.

(d) Notice of Redemption. The Authority shall give written notice of its intention to redeem Bonds under Section 2.03(a) or Section 2.03(b) to the Trustee at least 45 days before the proposed redemption date; provided, that the Trustee may accept a shorter notice period or waive such notice requirement at the Trustee's sole discretion. The Trustee, on behalf and at the expense of the Authority, shall send by first class mail (or if the Owner of such Bonds is a depository, by such method as acceptable to such depository) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories and to one or more Information Services by such manner of delivery as then acceptable to such entities, at least 30 but not more than 60 days prior to the date fixed for redemption; provided, however, that neither failure to receive any such notice so sent nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall specify the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such

maturity or maturities in whole) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date. Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such numbers.

(e) Right to Rescind Optional Redemption. The Authority (upon direction by the City, at the City's option) may rescind any optional redemption by written notice to the Trustee at least one Business Day prior to the date fixed for redemption. In addition, any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Authority, the City and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission. The Trustee shall send notices of such rescission in the same manner as that prescribed in Section 2.03(d) for notices of redemption.

(f) Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Outstanding Bonds or such given portion thereof not previously called for redemption, on a *pro rata* basis among the maturities (unless the maturity or maturities are otherwise specified in this Indenture or in writing by the Authority) and by lot within a maturity in any manner which the Trustee in its discretion shall deem appropriate, subject to the procedures of the Depository (if applicable). For purposes of such selection, all Bonds shall be deemed to be comprised of separate $5,000 portions and such portions shall be treated as separate Bonds, which may be separately redeemed.

(g) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond being redeemed. A partial redemption shall be valid upon payment of the amount required to be paid to the Owner, and the Authority and the Trustee shall be released and discharged from all liability to the extent of such payment.

(h) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption shall have been duly provided, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date. All Bonds redeemed pursuant to this Section 2.03 shall be canceled by the Trustee. All moneys

held by or on behalf of the Trustee for the payment of principal of or interest or premium on Bonds, whether at redemption or maturity, shall be held in trust for the account of the Owners thereof and the Trustee shall not be required to pay Owners any interest on, or be liable to Owners for any interest earned on, moneys so held.

SECTION 2.04 Form of Bonds. The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

SECTION 2.05 Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the manual or facsimile signatures of its Chair or Vice Chair and attested with the manual or facsimile signature of its Secretary or any Assistant Secretary duly appointed by the Authority Governing Board, and shall be delivered to the Trustee for authentication by it. In case any officer of the Authority who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though the individual who signed the same had continued to be such officer of the Authority. Also, any Bond may be signed on behalf of the Authority by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

Only such of the Bonds as shall bear thereon a certificate of authentication, manually executed on behalf of the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.06 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon presentation and surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Bond shall be surrendered for transfer, the Authority shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like tenor, maturity and aggregate principal amount. The cost of printing any Bonds and any services rendered or expenses incurred by the Trustee in connection with any such transfer shall be paid by the Authority, except that the Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The Trustee shall not be required to transfer, pursuant to this Section, (a) any Bond during the period established by the Trustee for the selection of Bonds for redemption or (b) any Bond selected for redemption pursuant to Section 2.03(f). Prior to any transfer of the Bonds outside the book-entry system (including, but

not limited to, the initial transfer outside the book-entry system), the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee may conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

SECTION 2.07 Exchange of Bonds. Bonds may be exchanged at the Trust Office of the Trustee for the same aggregate principal amount of Bonds of the same tenor and maturity and of other authorized denominations. The cost of printing any Bonds and any services rendered or expenses incurred by the Trustee in connection with any such exchange shall be paid by the Authority, except that the Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be required to exchange, pursuant to this Section, (a) any Bond during the period established by the Trustee for the selection of Bonds for redemption or (b) any Bond selected for redemption pursuant to Section 2.03(f).

SECTION 2.08 Temporary Bonds. The Bonds may be issued initially in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and be registered and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds definitive Bonds of like tenor, maturity and aggregate principal amount in authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.09 Registration Books. The Trustee will keep or cause to be kept at its Trust Office sufficient records for the registration and transfer of the Bonds, which shall at all times during regular business hours be open to inspection by the Authority with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer, or cause to be registered or transferred, on said records, Bonds as provided herein.

SECTION 2.10 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, maturity and aggregate principal amount in an authorized denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond issued

hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence shall be satisfactory to it and indemnity satisfactory to it shall be given, the Authority, at the expense of the Bond Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee). The Authority may require payment of a reasonable fee for each new Bond issued under this Section and of the expenses that may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original contractual obligation on the part of the Authority whether or not the Bond alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

SECTION 2.11 Book-Entry System.

(a) Book-Entry System; Limited Obligation of Authority. The Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds (unless the Bonds of such maturity bear different interest rates, then one Bond for each interest rate among such maturity). Upon initial delivery, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of the Nominee as nominee of the Depository. Except as provided in Section 2.11(c), all of the Outstanding Bonds shall be registered in the registration books kept by the Trustee in the name of the Nominee.

With respect to Bonds registered in the registration books kept by the Trustee in the name of the Nominee, the Authority and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the registration books kept by the Trustee, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the Bonds are redeemed in part, or (iv) the payment to any Participant or any other person, other than an Owner as shown in the registration books kept by the Trustee, of any amount with respect to principal of, premium, if any, or interest due with respect to the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered in the registration books kept by the Trustee as the holder and absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes

whatsoever. The Trustee shall pay all principal of, premium, if any, and interest due with respect to the Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the Authority's obligations with respect to payment of the principal, premium, if any, and interest due with respect to the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Trustee, shall receive a Bond evidencing the obligation of the Authority to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by the Depository to the Trustee and the Authority of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Authority has previously executed and delivered to such Depository the Representation Letter. The Representation Letter does not in any way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the registration books kept by the Trustee. The Trustee agrees to take all action necessary to continuously comply with the Representation Letter to the extent that such action is not inconsistent with this Indenture. In addition to the execution and delivery of the Representation Letter, the Chair, Vice Chair, Executive Director, and the Secretary and all other officers of the Authority are hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside of Book-Entry System. In the event (i) the Depository determines not to continue to act as securities depository for the Bonds, or (ii) the Authority determines that the Depository shall no longer so act, then the Authority will discontinue the book entry system with the Depository. If the Authority fails to identify another qualified securities depository to replace the Depository, then the Bonds so designated shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of the Nominee, but shall be registered in whatever name or names persons transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 2.09.

(d) Payments to Nominee. Notwithstanding any other provisions of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal, premium, if any, and interest due with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

(e) Initial Depository and Nominee. The initial Depository under this Article shall be The Depository Trust Company, New York, New York. The initial Nominee shall be Cede & Co., as Nominee of The Depository Trust Company, New York, New York.

ARTICLE III
ISSUANCE; DEPOSIT AND APPLICATION OF PROCEEDS; VALIDITY; ADDITIONAL BONDS

SECTION 3.01 Issuance of Bonds. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver the Bonds to the Trustee for authentication and delivery to or on the order of the Original Purchaser upon the Request of the Authority.

SECTION 3.02 Application of Proceeds of Sale of Bonds. On the Closing Date, the Trustee shall receive, on behalf of the Authority, $___ from the Original Purchaser (representing the par amount of the Bonds, [plus/less] an original issue [premium/discount] of $___, less an underwriter's discount of $___). The Trustee shall apply the Bonds proceeds as follows:

(a) Deposit $__ in the Costs of Issuance Fund; and

(b) Deposit $__ to the Project Fund.

For record keeping purposes the Trustee may establish such funds and accounts as may be necessary to reflect such deposits.

SECTION 3.03 Costs of Issuance Fund. The Trustee shall establish a fund known as the "Costs of Issuance Fund." Pursuant to Section 3.02(a), the Trustee shall deposit a portion of the proceeds of the sale of the Bonds into the Costs of Issuance Fund. The moneys in the Costs of Issuance Fund shall be used from time to time to pay Costs of Issuance with respect to the Bonds and shall be disbursed by the Trustee upon delivery to the Trustee of a requisition, substantially in the form attached hereto as Exhibit B, executed by an authorized officer of the Authority. Each such requisition of the Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date that is 180 days following the Closing Date, or upon the earlier receipt by the Trustee of a Request of the Authority to do so, the Trustee shall transfer all remaining amounts in the Costs of Issuance Fund to the Lease Revenue Fund.

SECTION 3.04 Project Fund. The Trustee shall establish and maintain a separate fund to be known as the "Project Fund." On the Closing Date, the Trustee shall deposit a portion of the sale proceeds of the Bonds into the Project Fund pursuant to Section 3.02(b). The Trustee shall disburse or transfer amounts from the Project Fund, as stated in a Request of the City, substantially in the form attached hereto as Exhibit C, for the payment of the Project Costs relating to the Projects (including reimbursement to the City for any such costs paid by it). Upon receipt of each such Request of the City, the Trustee shall pay the amount set forth in such Request as directed by the terms thereof. When the Projects, or the portions thereof determined by the City to be financed hereunder, have been completed, the Authority shall deliver or shall cause the City to deliver to the Trustee a Certificate of the City stating the fact and date of such completion. Following the delivery of such certificate, the Trustee shall transfer amounts then on deposit in the Project Fund (or such portion thereof as may be specified in such Request of the City) to the Lease Revenue Fund.

SECTION 3.05 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken with respect to the application of the proceeds of the Bonds, and the recital contained in the Bonds that the same are issued pursuant to the Bond Law shall be conclusive evidence of their validity and of the regularity of their issuance.

SECTION 3.06 Additional Bonds.

(a) Subject to this Section 3.06, the Authority may from time to time issue one or more series of Additional Bonds payable from and secured by Revenues on parity with all other Outstanding Bonds. Bonds issued pursuant to this Section 3.06 shall be issued under and pursuant to a Supplemental Indenture which shall specify:

(1) The maturity date or dates of such Additional Bonds, which shall be October 1 in any given year;

(2) The interest payment dates, which shall be April 1 and October 1;

(3) The terms, if any, for call and redemption of such Additional Bonds prior to maturity; and

(4) The interest rate or rates on such Additional Bonds and any other matters deemed appropriate or necessary and not inconsistent with the provisions of this Indenture.

(b) All of the Additional Bonds shall be executed by the Authority for issuance under the Indenture and delivered to the Trustee and thereupon shall be delivered by the Trustee upon the Request of the Authority but only upon receipt by the Trustee of the following documents or money or securities:

(1) A certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(2) A Request of the Authority as to the delivery of such Additional Bonds;

(3) An opinion of Bond Counsel substantially to the effect that: (i) the Authority has the right and power under the Act to execute and deliver such Supplemental Indenture, and such Supplemental Indenture has been duly executed and delivered by the Authority, and the Indenture and such Supplemental Indentures are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights and similar qualifications); (ii) such Additional Bonds are valid and binding special obligations of the

Authority, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and are subject to the terms of the Indenture and all Supplemental Indentures and entitled to the benefits of the Indenture and all such Supplemental Indentures and the Act, and such Additional Bonds have been duly and validly issued in accordance with the Act and the Indenture and all such Supplemental Indentures; and (iii) the obligation of the City to make the Base Rental Payments during the term of the Sublease as amended pursuant to this Section 3.06 is a valid and binding obligation of the City.

(4) A Certificate of the Authority: (i) certifying that the Authority is in compliance in all material respects with all agreement and covenants contained herein and that no Event of Default has occurred or is continuing; (ii) stating that the Authority and the City have entered into an amendment to the Sublease pursuant to which the City is obligated to make Base Rental Payments at times and in amounts sufficient to provide for payment of the principal of and interest on the Bonds (including such Additional Bonds) which will be Outstanding following the sale and delivery of such Additional Bonds; and (iii) containing such additional statements as may be reasonably necessary to show compliance with the requirements of the Indenture;

(5) An executed copy of the amendment to the Sublease; and

Such further documents, money and securities as are required by the provisions of the Indenture and the Supplemental Indenture providing for the issuance of such Additional Bonds.

ARTICLE IV
REVENUES; FLOW OF FUNDS

SECTION 4.01 Pledge of Revenues; Assignment of Rights. Subject to the provisions of Section 6.03 (Fees, Charges and Expenses of the Trustee), the Bonds shall be secured by a first lien on and pledge (which shall be effected in the manner and to the extent hereinafter provided) of all of the Revenues and a pledge of all the moneys in the Lease Revenue Fund, including all amounts derived from the investments of such moneys. The Bonds shall be equally secured by a pledge, charge and lien upon the Revenues and such moneys without priority for number, date of the Bonds, date of execution or date of delivery; and the payment of the interest on and principal of the Bonds and any premiums upon the redemption of any portion thereof shall be and are secured by an exclusive pledge, charge and lien upon the Revenues and such moneys. So long as any of the Bonds are Outstanding, the Revenues shall not be used for any other purpose; except that out of the Revenues and such moneys there may be apportioned such sums, for such purposes, as are expressly permitted by Section 4.02.

Pursuant to the Assignment Agreement, the Authority has transferred in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the right, title and interest of the Authority in (but not of its obligations under) the Lease and the Sublease (other than its rights to indemnification and payment or reimbursement for any costs or expenses), including its rights to receive the Base Rental scheduled to be paid by the City under and pursuant to the Sublease and any and all of the other rights of the Authority under the Lease and the Sublease as may be necessary to enforce payment of such Base Rental when due or otherwise to protect the interest of the Owners of the Bonds, including its leasehold title to the Leased Properties leased to the City pursuant to the Sublease. The Trustee accepts such assignments. The Trustee shall be entitled to and shall receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall promptly be paid by the Authority to the Trustee.

SECTION 4.02 Lease Revenue Fund. All Base Rental Payments shall be deposited by the Trustee in a special fund designated as the "Lease Revenue Fund," which the Trustee shall establish, maintain and hold in trust hereunder.

On or before each Interest Payment Date, the Trustee shall transfer from the Lease Revenue Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Lease Revenue Fund), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) Interest Account. On or before each Interest Payment Date, the Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on such Interest Payment Date on all Outstanding Bonds. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the interest becoming due and payable upon all Outstanding Bonds on each succeeding Interest Payment Date within the then current Bond Year. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to Section 2.03).

(b) Principal Account. On or before each Interest Payment Date, the Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds maturing or required to be redeemed through mandatory sinking account redemption on such Interest Payment Date pursuant to Section 2.02 or Section 2.03. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds.

(c) [Reserve Account. On or before each Interest Payment Date, the Trustee shall deposit in the Reserve Account such amount as may be necessary to maintain a balance therein equal to the Reserve Requirement. No deposit need be made in the Reserve Account so long as there shall be on deposit an amount equal to the Reserve Requirement. Except as otherwise provided herein, money in (or available to) the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account or the Principal Account in such order, in the event of any deficiency at any time in either of such accounts, or for the purpose of paying the interest on or principal of the Bonds, or for the retirement of all Bonds then Outstanding. Any amount in the Reserve Account in excess of the Reserve Requirement shall be determined on or promptly after each Interest Payment Date and transferred in accordance with this Indenture, to the Interest Account to be applied toward the interest payment of the Bonds, unless otherwise directed by a Request of the City.

The Reserve Requirement may be satisfied by crediting to the Reserve Account moneys or one or more Qualified Reserve Account Credit Instruments or any combination thereof, which in the aggregate make funds available in the Reserve Account in an amount equal to the Reserve Requirement. Upon the deposit with the Trustee of such Qualified Reserve Account Credit Instrument, the Trustee shall release moneys then on hand in the Reserve Account to the City, to be used for any lawful purpose, in an amount equal to the face amount of the Qualified Reserve Account Credit Instrument.]

(d) Surplus. On or promptly after each Interest Payment Date, Trustee shall determine the amount, if any, remaining in the Lease Revenue Fund after making the deposits required by paragraphs (a) through (c) above and the transfers of investment earnings pursuant to Section 4.05, and shall notify the City of the amount so determined. The Trustee shall apply such amount as a credit against the next following Base Rental Payment; provided however, if directed in a Request of the City, the Trustee shall, with respect to all or any portion of such amount, pay, or set an amount aside for the payment of, any rebate requirement in accordance with a computation made by the City pursuant to the Code, or if no such rebate requirement is then due, release to the City for use for any lawful purpose.

SECTION 4.03 Redemption Fund. To the extent the Authority has provided the Trustee with written notice of its intention to redeem Bonds in connection with an extraordinary redemption pursuant to Section 2.03(a) or an optional redemption pursuant to Section 2.03(b), the Trustee shall establish a fund known as "Redemption Fund." At any time the Trustee receives money from the City pursuant to Section 9 of the Sublease (Net Proceeds of insurance payments or taking proceedings) or Section 11(b) of the Sublease (optional prepayment by the City), the Trustee shall immediately deposit such money as follows: (i) an amount equal to the interest on the Bonds to be redeemed pursuant to Section 2.03(a) or Section 2.03(b) accrued to the redemption date shall be deposited in the Interest Account; and (ii) the balance of such moneys shall be deposited in the Redemption Fund. Amounts on deposit in the Redemption Fund shall be applied solely for the purpose of paying the principal of the Bonds to be redeemed pursuant to Section 2.03(a) or Section 2.03(b); provided, however, that at any time prior to giving notice of redemption of any such Bonds, the Trustee

may apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed in writing by the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

SECTION 4.04 Application of Net Proceeds. If the Leased Properties or any portion thereof shall be damaged or destroyed, subject to the further requirements of this Section, the City shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the City elects not to repair or replace the Leased Properties or the affected portion thereof in accordance with the provisions hereof.

The Net Proceeds (other than Net Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of any damage or destruction of the Leased Properties or a portion thereof shall as soon as possible be deposited with the Trustee and be held by the Trustee in a special fund entitled the "Insurance and Condemnation Fund" and made available for and, to the extent necessary, shall be applied to the cost of repair or replacement of the Leased Properties or the affected portion thereof upon receipt of a written request of the City, together with invoices therefor. Each such written request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Pending such application, such proceeds may be invested by the Trustee as directed by the City in Permitted Investments that mature not later than such times moneys are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, the City shall, within 60 days of the occurrence of the event of damage or destruction, notify the Trustee in writing as to whether the City intends to replace or repair the Leased Properties or the portions of the Leased Properties which were damaged or destroyed. If the City does intend to replace or repair the Leased Properties or portions thereof, the City shall deposit with the Trustee the full amount of any insurance deductible to be credited to the special account.

If the damage, destruction or loss was such that there resulted in a substantial interference with the City's right to the use or occupancy of the Leased Properties and an abatement of Rental Payments results from such damage or destruction pursuant to Section 9(b) of the Sublease, then the City shall be required either to (a) apply sufficient funds from the insurance proceeds and other legally available funds to the replacement or repair of the Leased Properties or the portions thereof which have been damaged to the condition which existed prior to such damage or destruction, or (b) apply sufficient funds from the insurance proceeds and other legally available funds to the redemption, as set forth in subsection (a) of Section 2.03 hereof and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued, in full of all the Outstanding Bonds or all of those Outstanding Bonds which would have been payable from that portion of the Base Rental Payments which are abated as a result of the damage or destruction. Funds to be applied to the redemption of Bonds in accordance with clause (b) above shall be deposited in the Redemption Fund. If the City is not required to replace or repair the Leased Properties, or the

affected portion thereof, as set forth in clause (a) above or to use such amounts to redeem Bonds as set forth in clause (b) above, then such proceeds shall, if there is first delivered to the Trustee a Written Certificate of the City to the effect that the annual fair rental value of the Leased Properties after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, is at least equal to 100% of the maximum amount of Base Rental Payments becoming due under the Sublease in the then current Rental Period or any subsequent Rental Period and the fair replacement value of the Leased Properties after such damage or destruction is at least equal to the principal amount of the Outstanding Bonds, be paid to the City to be used for any lawful purpose.

The proceeds of any award in eminent domain received in respect to the Leased Properties shall be deposited by the Trustee in the Redemption Fund and applied to the redemption of Bonds pursuant to subsection (a) of Section 2.03 hereof and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued.

SECTION 4.05 Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments pursuant to the written direction of the Authority given to the Trustee at least two Business Days in advance of the making of such investments; which Permitted Investments shall, as nearly as practicable, mature (or be subject to redemption or disposition by the Trustee) on or before the dates on which such money is anticipated to be needed for disbursement hereunder. In the absence of any such direction from the Authority, the Trustee shall invest any such moneys in money market funds described in clause (d) of the definition of Permitted Investments, so long as such money market funds contain only United States Treasury or United States local government obligations; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written request of the Authority specifying a specific money market fund and, if no such request of the Authority is so received, the Trustee shall hold such moneys uninvested. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including account maintenance fees. In the absence of investment instructions from the Authority or City, the Trustee shall hold the moneys held by it hereunder uninvested.

The Trustee shall transfer at least semiannually immediately after any Interest Payment Date all investment earnings on amounts in the Principal Account, and the Interest Account to the Lease Revenue Fund. [If the balance in the Reserve Account is then at least equal to the Reserve Requirement, the Trustee immediately shall transfer all investment earnings on amounts in the Reserve Account, which are in excess of the Reserve Requirement, to the Lease Revenue Fund.] Unless otherwise specified in this Indenture, investment earnings on amounts in all other funds and accounts established and maintained pursuant to this Indenture shall be retained in such respective funds and accounts. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee or an affiliate of the Trustee may act as principal or agent in the acquisition or disposition of any investment

and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to instructions or directions from the Authority.

The Authority acknowledges that regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions to be effected by the Trustee hereunder as they occur. The Authority specifically waives the right to receive such notification to the extent permitted by applicable law and agrees that it will instead receive periodic cash transaction statements which include detail for the investment transactions effected by the Trustee hereunder; provided, however, that the Authority retains its right to receive brokerage confirmation on any investment transaction requested by the Authority.

SECTION 4.06 Valuation and Disposition of Investments. For the purpose of determining the amount in any fund or account, Permitted Investments credited to such fund or account shall be valued semiannually at the Fair Market Value thereof; provided that as to certificates of deposits and banker acceptances, the value thereof shall equal the face amount, plus accrued interest thereon. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow its normal practice in determining the value of Permitted Investments, which may include utilizing computerized securities pricing services that may be available to it including those available through its regular accounting system.

ARTICLE V
COVENANTS OF THE AUTHORITY

SECTION 5.01 Punctual Payment. The Authority shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Indenture.

SECTION 5.02 Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

SECTION 5.03 Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the

pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Bond Law, and reserves the right to issue other obligations for such purposes.

SECTION 5.04 Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues, the Lease, the Sublease and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee (subject to the provisions of Section 6.02 hereof) shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

SECTION 5.05 Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions by the Trustee relating to the proceeds of Bonds, the Revenues, the Sublease and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority and the City during regular business hours with reasonable prior notice.

SECTION 5.06 Additional Obligations. The Authority covenants that no additional bonds, notes or indebtedness shall be issued or incurred that are payable out of the Revenues in whole or in part, except as permitted under Section 3.06 of this Indenture.

SECTION 5.07 Sublease. The Trustee, as assignee of the Authority's rights under the Sublease pursuant to Section 4.01 and under the Assignment Agreement, shall receive all amounts due from the City pursuant to the Sublease.

The Authority will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Sublease required to be complied with, kept, observed and performed by it and, together with the Trustee, will enforce the Sublease against the City in accordance with its terms.

The Authority will not alter, amend or modify the Sublease without the prior written consent of the Trustee, which consent shall be given only (i) if the Trustee receives an opinion of Bond Counsel that such alteration, amendment or modification will not result in any material impairment of the security given or intended to be given for the payment of the Base Rental Payments, or (ii) if the Trustee first obtains the written consents of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding to such alteration, amendment or modification. Prior to any amendment or modification of the Sublease pursuant to this Section 5.07, the Trustee may require the Authority to deliver to the Trustee an opinion

of Bond Counsel to the effect that such amendment or modification has been adopted in accordance with the requirements of this Indenture.

SECTION 5.08 Tax Covenants.

(a) The Authority shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the Tax-Exempt status of interest on the Bonds under Section 103(a) of the Code or cause interest on any Bond to be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under Section 55 of the Code.

(b) In furtherance of the foregoing tax covenant, the Authority shall comply with the provisions of the Tax Certificate, which is incorporated in this Indenture as if fully set forth in this Indenture. These covenants shall survive payment in full or defeasance of the Bonds.

(c) If directed in a Request of the City, the Trustee shall establish when required and maintain a fund separate from any other fund or account established and maintained hereunder designated as the "Rebate Fund." Upon the written direction of the City, there shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Amount (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of Article IV (relating to the pledge of Revenues, the allocation of money in the Lease Revenue Fund, and the investments of money in any fund or account) and Section 9.03 (relating to the defeasance of Bonds), all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section 5.08 and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the Request of the City, and shall have no liability or responsibility to enforce compliance by the Authority or the City with the terms of the Tax Certificate.

(d) Notwithstanding any provision of this Section, if the Authority or the City shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Trustee, the Authority and the City may conclusively rely on such opinion in complying with the requirements of this Section and, notwithstanding Article VII, the covenants hereunder shall be deemed to be modified to that extent.

SECTION 5.09 Continuing Disclosure. In connection with the issuance of the Bonds, the Authority shall cause the City to enter into a Continuing Disclosure Agreement. It is hereby recognized that a failure of the City to comply with a Continuing Disclosure Agreement shall not constitute a default under this Indenture or the Sublease; provided, however, the Original Purchaser or the Owner or beneficial owner of the Bonds relating to such Continuing Disclosure

Agreement may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

SECTION 5.10 Further Assurances. The Authority shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VI
THE TRUSTEE

SECTION 6.01 Appointment of Trustee. The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority agrees that, so long as any Bonds are Outstanding, it will maintain a Trustee which is (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets, or (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets. If such bank, national banking association or trust company or such parent corporation publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section 6.01 the combined capital and surplus of such bank, national banking association or trust company or such parent corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee is hereby authorized to pay the principal of and interest and redemption premium (if any) on the Bonds when duly presented for payment at maturity, or on redemption prior to maturity, and to cancel all Bonds upon payment thereof. The Trustee shall keep accurate records of all funds and accounts administered by it and of all Bonds paid and discharged.

SECTION 6.02 Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee, unless the Trustee was negligent in ascertaining the pertinent facts.

(b) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any

action hereunder, the Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate of the Authority.

(c) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners pursuant to this Indenture, unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(d) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, facsimile transmission, electronic mail, order bond or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(e) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no duties, covenants or obligations of or against the Trustee shall be implied in this Indenture. In case an Event of Default hereunder or under the Sublease has occurred (which has not been cured or waived), the Trustee may exercise such of the rights and powers vested in it by this Indenture and by the Sublease, and shall use the same degree of care and skill in the exercise of such rights and powers as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(f) The Trustee may execute any of the trusts or powers hereunder and perform the duties required of it hereunder either directly or by or through attorneys or agents, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be responsible for any misconduct or negligence on the part of any attorney or agent appointed with due care by it hereunder.

(g) The Trustee may consult with counsel of its selection (who may include its own counsel or counsel for the Authority or Bond Counsel) and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

(h) The Trustee shall not be responsible for any recital herein, in the Sublease, or in the Bonds, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby and makes no representation as to the validity or sufficiency of the Bonds, this Indenture or the Sublease. The Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Authority hereunder or on the part of the Authority or the City under the Sublease. The Trustee shall not be responsible for the application by the Authority or the City of the proceeds of the Bonds.

(i) The Trustee may become the Owner or pledgee of Bonds secured hereby with the same rights it would have if not the Trustee; may acquire and dispose of other bonds or evidences of indebtedness of the Authority with the same rights it would have if it were not the Trustee; and may act as a depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee shall represent the Owners of the majority in aggregate principal amount of the Bonds then Outstanding.

(j) The Trustee may rely and shall be protected in acting or refraining from acting, in good faith and without negligence, upon any notice, resolution, opinion, report, direction, request, consent, certificate, order, affidavit, letter, telegram, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and to have been signed or presented by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith and without negligence pursuant to this Indenture or the Sublease upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Bond or to take any action at such person's request unless the ownership of such Bond by such person shall be reflected on the Registration Books.

(k) The permissive right of the Trustee to do things enumerated in this Indenture or in the Sublease shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees and agents.

(l) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder or under the Sublease except failure by the Authority or the City to make any of the payments to the Trustee required to be made by the Authority or the City pursuant hereto or thereto or failure by the Authority or the City to file with the Trustee any document required by this Indenture or the Sublease to be so filed subsequent to the issuance of the Bonds, unless the Trustee shall be specifically notified in writing of such default by the Authority or by the Owners of at least 25 percent in aggregate principal amount of the Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Trust Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default hereunder except as aforesaid.

(m) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right fully to inspect all books, papers and records of the Authority pertaining to the Bonds, and to make copies of any of such books, papers and records which are not privileged by statute or by law.

(n) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises hereof.

(o) Notwithstanding anything elsewhere in this Indenture with respect to the execution of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as may be deemed desirable for the purpose of establishing the right of the Authority to the execution of any Bonds, the withdrawal of any cash or the taking of any other action by the Trustee.

(p) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.

(q) Whether or not expressly provided therein, every provision of this Indenture and the Sublease relating to the conduct or affecting the liability of the Trustee shall be subject to the provisions of this Section 6.02.

(r) In no event shall the Trustee be liable for special, indirect, punitive or consequential loss or damage (including but not limited to lost profits) even if the Trustee has been advised of the likelihood of such damages and regardless of the form of such action. The Trustee shall not be considered in breach of or in default with respect to any obligations created hereunder, in the event of an enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its willful misconduct or negligence, including, but not limited to, acts of God, or of the public enemy, acts of a government, acts of the other party hereto, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to governmental action or inaction pertaining to the Leased Properties, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee; provided, that in the event of any such enforced delay, the Trustee shall notify the Authority in writing within five business days after: (i) the occurrence of the event giving rise to such delay, (ii) the Trustee's actual knowledge of the impending enforced delay, or (iii) the Trustee's knowledge of sufficient facts under which a reasonable person would conclude the enforced delay will occur.

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

(t) The Trustee shall not be liable in connection with the performance of its duties under this Indenture, except for its own negligence or willful misconduct.

(u) With respect to moneys have been released or withdrawn in accordance with the provisions hereof, the Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of such moneys.

(v) To the extent that the Authority or the City has caused to be furnished to the Trustee an opinion from Bond Counsel or other counsel of the Authority or the City, with regard to legal questions, the opinion of such counsel shall be full and complete authorization and protection to the Trustee in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

(w) For all purposes hereunder, the Trustee shall not be deemed to have notice or knowledge of any event (including any default or Event of Default) unless a Responsible Officer of the Trustee has received written notice of such event which references this Indenture, the Bonds, the Authority or the City. The delivery of reports and other documents and information to the Trustee hereunder is for informational purposes only and the Trustee's receipt of such documents and information shall not constitute constructive notice of any information contained therein or determinable from information contained therein.

SECTION 6.03 Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances (with interest on such advances at the maximum rate allowed by law), counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Upon the occurrence of an Event of Default hereunder, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment of any Bond upon the amounts held hereunder for the foregoing fees, charges and expenses incurred by it (including indemnities and legal fees and expenses).

SECTION 6.04 Notice to Bond Owners of Default. If an Event of Default hereunder or under the Sublease occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.02(k) hereof, then the Trustee shall, within 30 days of the receipt of such notice, give written notice thereof by first class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure by the Authority to make any payment when due, the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bond Owners not to give such notice.

SECTION 6.05 Intervention by Trustee. In any judicial proceeding to which the Authority or the City is a party that, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of any of the Bonds, the Trustee may intervene on behalf of such Bond Owners, and subject to Section 6.02(c), shall do so if requested in writing by the Owners of at least 25 percent in aggregate principal amount of such Bonds then Outstanding.

SECTION 6.06 Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee and signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds. The Authority may also remove the Trustee at any time upon 30 days' notice, except during the existence of an Event of Default. The Trustee may be removed at any time for any breach of the Trustee's duties set forth herein.

SECTION 6.07 Resignation by Trustee. The Trustee and any successor Trustee may at any time give written notice of its intention to resign as Trustee hereunder, such notice to be given to the Authority and the City in the manner prescribed by Section 9.14. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the Authority shall cause notice thereof to be given by first class mail, postage prepaid, to the Bond Owners at their respective addresses set forth on the Registration Books.

SECTION 6.08 Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 6.06 or 6.07, respectively, the Authority shall promptly appoint a successor Trustee. In the event the Authority shall for any reason whatsoever fail to appoint a successor Trustee within 60 days following the delivery to the Trustee of the instrument described in Section 6.06 or within 60 days following the receipt of notice by the Authority pursuant to Section 6.07, the Trustee may, at the expense of the Authority, apply to a court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 6.01. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the Authority purporting to appoint a successor Trustee following the expiration of such 60-day period.

SECTION 6.09 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 6.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 6.10 Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the Request of the Authority, or of the Trustee's successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall

deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

SECTION 6.11 Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction in may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action that may be desirable or necessary in connection therewith, it may be necessary that the Trustee or the Authority appoint an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 6.11 are adopted to these ends.

In the event that the Trustee or the Authority appoints an additional individual or institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Authority be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, shall resign or shall be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

SECTION 6.12 Indemnification; Limited Liability of Trustee. The Authority further covenants and agrees, to the extent permitted by law, to indemnify and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense (including reasonable legal fees and expenses) and liabilities arising out of or in the exercise and performance of its powers and duties hereunder and the enforcement of any provision of this Indenture, the Lease, the Sublease, the Assignment Agreement or any other transaction document, including the costs and expenses of defending against any claim of liability, but

excluding any and all losses, expenses and liabilities that are due to the negligent or willful misconduct of the Trustee, its officers, directors or employees. No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder if it shall have reasonable grounds for believing repayment of such funds or adequate indemnity against such liability or risk is not assured to it. The Trustee shall not be liable for any action taken or omitted to be taken by it in accordance with the direction of the Owners of at least 25 percent in aggregate principal amount of Bonds Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee under this Indenture or exercising any power conferred upon the Trustee under this Indenture. The obligations of the Authority under this Section shall survive the resignation or removal of the Trustee under this Indenture.

SECTION 6.13 Trustee Acceptance of Electronic Instructions. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means (being the following communications methods: email, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority and the City, as applicable shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions and containing specimen signatures of such officers, which incumbency certificate shall be amended by the Authority or the City, as applicable, whenever a person is to be added or deleted from the listing. If the Authority or the City elects to give the Trustee Instructions using Electronic Means and the Trustee elects to act upon such Instructions, the Trustee's reasonable understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an authorized officer listed on the incumbency certificate provided to the Trustee have been sent by such authorized officer. The Authority and the City shall be responsible for ensuring that only authorized officers transmit such Instructions to the Trustee and that the Authority, the City and all authorized officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority or the City, as applicable.

The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority and the City agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and/or the

City, as applicable; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

In the event of an ambiguity or a contradiction in such Instructions as determined by the Trustee in its reasonable discretion, the Trustee shall notify the Authority and request clarification from the Authority, and the Trustee shall not be required to act on such ambiguous or contradictory Instructions pending the Authority's clarification.

The Trustee shall not be liable under this Section 6.13 except for its negligence or willful misconduct.

SECTION 6.14 Direction to Execute Assignment Agreement. The Trustee is hereby authorized and directed to execute the Assignment Agreement. In executing and performing under the Assignment Agreement, the Trustee shall be entitled to all rights, protections, immunities and indemnities granted to it pursuant to this Indenture.

ARTICLE VII
MODIFICATION AND AMENDMENT OF THE INDENTURE

SECTION 7.01 Amendment of Indenture. This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, without consent of any Bond Owner, to the extent permitted by law but only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Authority contained in this Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers herein reserved to or conferred upon the Authority so long as such limitation or surrender of such rights or powers shall not materially adversely affect the Owners of the Bonds;

(b) to cure any ambiguity, to supply any omission or to cure, correct or supplement any defect or inconsistent provisions contained in the Indenture or in any Supplemental Indenture;

(c) to grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority;

(d) to subject to the Indenture additional collateral or to add other agreements of the Authority;

(e) to provide for the issuance of Additional Bonds pursuant to Section 3.06;

(f) to modify the Indenture or the Bonds to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States of America;

(g) to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes;

(h) to evidence the succession of a new Trustee; or

(i) for any other purpose that does not materially adversely affect the rights or interests of the Owners.

Except as set forth in the preceding paragraph of this Section 7.01, this Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may only be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (i) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (ii) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (iii) modify any of the rights or obligations of the Trustee without its written consent thereto.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of Bond Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and complies with all terms under this Indenture.

SECTION 7.02 Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Outstanding Bonds, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Prior to entering into any Supplemental Indenture pursuant to this Section 7.02, the Trustee may require the Authority to deliver to the Trustee an opinion of Bond Counsel to the effect that such Supplemental Indenture has been adopted in accordance with the requirements of this Indenture.

SECTION 7.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds shall bear a notation, by endorsement in form approved by the Authority, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of such Owner's Bond for that purpose at the Trust Office of the Trustee, a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such Bond Owners' action, then new Bond certificates shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the Trust Office of the Trustee, without cost to each Bond Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

SECTION 8.01 Events of Default. The following events shall be Events of Default hereunder:

(a) Default in the due and punctual payment of the principal of or premium on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, or by proceedings for redemption.

(b) Default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable.

(c) Failure by the Authority to observe and perform any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than as referred to in the preceding clauses (a) and (b), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied has been given to the Authority by the Trustee, or to the Authority and the Trustee by the Owners of not less than 25 percent in aggregate principal amount of the Outstanding Bonds; provided, however, that if in the reasonable opinion of the Authority, the failure stated in such notice can be corrected, but not within such 30-day period, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Authority within such 30-day period and diligently pursued until such failure is corrected.

(d) The filing by the Authority of a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Authority, seeking reorganization under the Federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of the Leased Properties.

SECTION 8.02 Remedies; No Acceleration. Upon the occurrence of an Event of Default, the Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Authority or any member, officer or employee thereof, in order to compel the Authority or any such member, officer or employee to perform and carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(c) by suit in equity upon the happening of an Event of Default to require the Authority and its members, officers and employees to account as the trustee of an express trust.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of at least 25 percent in aggregate principal amount of Outstanding Bonds and indemnified as provided in Section 6.02(c), the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bond Owners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bond Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or the Bond Owners hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver or any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

The Trustee shall have no right to declare the principal of or interest on the Bonds to be due and payable immediately.

SECTION 8.03 Application of Revenues and Other Funds after Default. Following the declaration of an Event of Default, all amounts then held or received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture shall be applied by the Trustee, in the following order upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee, including reasonable compensation to its agents, attorneys and counsel;

Second, to the payment of the whole amount of interest on and principal of the Bonds then due and unpaid; provided, however, that in the event such amounts shall be insufficient to pay in full the full amount of such interest and principal, then such amounts shall be applied to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest; and

Third, to replenish the Reserve Account to the Reserve Requirement.

SECTION 8.04 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation and if the Trustee is indemnified as provided in Section 6.02(c). Any suit, action or proceeding which any Owner of Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bonds issued hereunder by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners of the Bonds for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

SECTION 8.05 Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bond Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 8.06 Non-Waiver. A waiver of any default or breach of duty or contract by the Trustee or any Bond Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred

upon the Trustee or Bond Owners by the Bond Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bond Owners, as the case may be.

SECTION 8.07 Rights of Bond Owners. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless: (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by action of such Owner or Owners to enforce any right under this Indenture, except in the manner provided herein, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided herein and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and interest and premium (if any) on such Bond as provided herein or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

SECTION 8.08 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Authority, the Trustee and the Bond Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the Leased Properties subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE IX
MISCELLANEOUS

SECTION 9.01 Limited Liability of Authority. Notwithstanding anything contained in this Indenture, the Authority shall not be required to advance any moneys derived from any source of income other than the Revenues for the payment of the principal of or interest on the Bonds, or any premiums upon the redemption thereof, or for the performance of any covenants herein contained (except to the extent any such covenants are expressly payable hereunder from the Revenues or otherwise from amounts payable under the Sublease). The Authority may, however advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring indebtedness.

The Bonds shall be revenue bonds, payable exclusively from the Revenues and other funds as provided in this Indenture. The general fund of the Authority is not liable, and the credit of the Authority is not pledged, for the payment of the interest and premiums (if any) on or principal of the Bonds. The Owners of the Bonds shall never have the right to compel the forfeiture of any property of the Authority except the Revenues and other funds pledged to the payment of the Bonds as provided in this Indenture. The principal of and interest on the Bonds, and any premiums upon the redemption of any thereof, shall not be a legal or equitable pledge, charge, lien or encumbrance upon any property of the Authority or upon any of its income, receipts or revenues except the Revenues and other funds pledged to the payment thereof as provided in this Indenture.

SECTION 9.02 Benefits of Indenture Limited. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Authority, the Trustee, the City and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Trustee, the City and the Owners of the Bonds.

SECTION 9.03 Discharge of Indenture. If the Authority shall pay and discharge any or all of the Outstanding Bonds in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and premiums (if any) on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established with the Trustee pursuant to this Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums (if any); or

(c) by irrevocably depositing with the Trustee or any other fiduciary, in trust, Federal Securities in such amount as an Independent Certified Public Accountant (defined below) shall determine in a written report filed with the Trustee (upon which report the Trustee

may conclusively rely) will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established with the Trustee pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates; and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been sent pursuant to Section 2.03(d) or provision satisfactory to the Trustee shall have been made for the sending of such notice, then, at the Request of the Authority, and notwithstanding that any of such Bonds shall not have been surrendered for payment, the pledge of the Revenues and other funds provided for in this Indenture with respect to such Bonds, and all other pecuniary obligations of the Authority under this Indenture with respect to all such Bonds, shall cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and all amounts due the Trustee. Any funds held by the Trustee following any payment or discharge of the Outstanding Bonds pursuant to this Section 9.03, which are not required for said purposes, shall after payment of amounts due the Trustee hereunder be paid over to the Authority. Prior to the discharge of any or all of the Outstanding Bonds, the Trustee shall receive an opinion of Bond Counsel to the effect that the Bonds to be discharged are no longer Outstanding and all conditions precedent with respect to such discharge have been satisfied.

SECTION 9.04 Trustee's Additional Acknowledgment of Certain Provisions of the Sublease. Without limiting any other provisions herein, the Trustee hereby acknowledges and agrees to comply with Section 9 of the Sublease.

SECTION 9.05 Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture the Authority is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the Authority, that are presently vested in the Authority, and all the covenants, agreements and provisions contained in this Indenture by or on behalf of the Authority shall bind and inure to the benefit of its successors whether so expressed or not.

SECTION 9.06 Content of Certificates and Opinions. Any certificate made or given by an officer of the Authority may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion or representation made or given by counsel may be based, insofar as it relates to factual matters, on information with respect to which is in the possession of the Authority, or upon the certificate or opinion of or representations by an officer or officers of the Authority, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate, opinion or representation may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

SECTION 9.07 Execution of Documents by Bond Owners. Any request, consent or other instrument required by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bond Owners in person or by their agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section 9.07.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof.

The ownership of Bonds shall be proved by the Registration Books. Any request, consent or vote of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of any Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in pursuance of such request, consent or vote. In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Trustee may call and hold a meeting of the Bond Owners upon such notice and in accordance with such rules and obligations as the Trustee considers fair and reasonable for the purpose of obtaining any such action.

SECTION 9.08 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the City or the Authority (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided, however, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so owned or held shall be disregarded. Upon the request of the Trustee, the Authority and the City shall specify in a certificate to the Trustee those Bonds that are disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

SECTION 9.09 Waiver of Personal Liability. No officer, agent or employee of the Authority shall be individually or personally liable for the payment of the interest on or principal of the Bonds; but nothing herein contained shall relieve any such officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.10 Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Indenture on the part of the Authority (or of the Trustee) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable

from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Indenture or of the Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under the Bond Law or any other applicable provisions of law.

SECTION 9.11 Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, the Trustee shall cancel and destroy such Bonds and upon Request of the Authority furnish to the Authority a certificate of such destruction.

SECTION 9.12 Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Authority or the Trustee may be established and maintained in the accounting records of the Authority or the Trustee, as the case may be, either as a fund or an account, and may, for the purpose of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account. All such records with respect to all such funds and accounts held by the Authority shall at all times be maintained in accordance with generally accepted accounting principles and all such records with respect to all such funds and accounts held by the Trustee shall be at all times maintained in accordance with corporate trust industry practices; in each case with due regard for the protection of the security of the Bonds and the rights of every Owner thereof.

SECTION 9.13 Payment on Business Days. Whenever in this Indenture any amount is required to be paid on a day that is not a Business Day, such payment shall be required to be made, without accruing additional interest thereby, on the Business Day immediately following such day.

SECTION 9.14 Notices. Any notice, request, complaint, demand or other communication under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, by overnight mail, as a .pdf attachment to electronic mail, or by telecopy or other form of telecommunication, confirmed by telephone at its number set forth below. Notice shall be effective either (i) upon transmission by telecopy or other form of telecommunication, (ii) 48 hours after deposit in the United States mail, postage prepaid, (iii) in the case of overnight mail, upon delivery to the addressed destination, or (iv) in the case of personal delivery to any person, upon actual receipt. The Authority, the City or the Trustee may, by written notice to the other party, from time to time modify the address, email address, or number to which communications are to be given hereunder.

If to the Authority: South Tahoe Joint Powers Financing Authority
1901 Lisa Maloff Way, Suite 210
South Lake Tahoe, CA 96150
Attention: Executive Director
Phone: (530) 542-6043

If to the City:	City of South Lake Tahoe 1901 Lisa Maloff Way, Suite 210 South Lake Tahoe, CA 96150 Attention: City Manager Phone: (530) 542-6043
If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. 333 South Hope Street, Suite 2525 Los Angeles, CA 90071 Phone: (213) 630-6417 Attention: Alex Dominguez, Client Service Manager Email: alexander.dominguez@bnymellon.com

Any party listed above may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 9.15 Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds that remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after said date when such Bonds become due and payable, shall be repaid by the Trustee to the Authority, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Authority for the payment of such Bonds; provided, however, that before being required to make any such payment to the Authority, the Trustee shall, at the expense of the Authority, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the Registration Books, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

SECTION 9.16 Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State of California.

SECTION 9.17 Execution in Counterparts. This Indenture may be executed in any number of counterparts. Each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be signed by their respective authorized representatives, all as of the day and year first above written.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By:_____
Joe Irvin, Executive Director

ATTEST:

_____
Secretary

The Bank of New York Mellon Trust Company, N.A.,
as Trustee

By:_____

Name: _____

Title: _____

EXHIBIT A

FORM OF BOND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-___ $_____

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
LEASE REVENUE BOND
2023 SERIES A

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
%	October 1, 20__	[August 30], 2023	84049M___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues, as defined in the Indenture hereinafter referred to, and certain other moneys) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above or any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to the fifteenth calendar day of the month preceding the first Interest Payment Date, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on April 1 and October 1 in each year, commencing [April 1, 2024] (each an "Interest Payment Date") until payment of such Principal Amount in full.

The Principal Amount of this Bond is payable by check upon presentation hereof upon maturity or earlier redemption at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), in Los Angeles, California, or at such other office as the Trustee may designate (the "Trust Office"). Interest hereon is payable by check or draft of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner as it appears on the registration books of the Trustee as of the fifteenth calendar day of the month preceding such Interest Payment Date (except that in the case of a Registered Owner of at least $1,000,000 in aggregate principal amount of the Bonds, such payment may, at such Registered Owner's option, be made by wire transfer of immediately available funds in accordance with written instructions provided by such Registered Owner prior to the 15th calendar day of the month immediately preceding such Interest Payment Date).

This Bond is one of a duly authorized issue of bonds of the Authority designated the "South Tahoe Joint Powers Financing Authority, Lease Revenue Bonds, 2023 Series A" (the "Bonds"), limited in principal amount to ___ Dollars ($[principal amount]) secured by an Indenture, dated as of August 1, 2023 (the "Indenture"), by and between the Authority and the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the Revenues (as that term is defined in the Indenture), of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder; and all of the terms of the Indenture are hereby incorporated herein and constitute a contract between the Authority and the Registered Owner hereof, and to all of the provisions of which Indenture the Registered Owner hereof, by acceptance hereof, assents and agrees.

The Bonds are authorized to be issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"). The Bonds are special obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from and secured by a first lien on and pledge of the Revenues and certain other moneys and securities held by the Trustee as provided in the Indenture. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Revenues and such other moneys and securities, and the Revenues and such other moneys and securities constitute a trust fund for the security and payment of the principal of and interest on the Bonds. The full faith and credit of the Authority are not pledged for the payment of the principal of or interest on the Bonds. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Revenues and such other moneys and securities as provided in the Indenture.

The Bonds have been issued for the purpose of assisting the City with the cost of construction of a new multigenerational recreation center. In connection with the issuance of the Bonds, the Authority has entered into the Sublease, dated as of August 1, 2023 (the "Sublease") with the City, under which the City is obligated to pay amounts which are

anticipated to be sufficient to enable the Authority to pay the principal of and interest on the Bonds.

The Bonds are subject to redemption prior to their respective maturity dates, upon notice as hereinafter provided, as a whole or in part, on any date, from prepaid Base Rental Payments made by the City from funds received by the City due to a taking of the Leased Properties (as defined in the Sublease) or any portion thereof under the power of eminent domain or from net proceeds of insurance received for material damage or destruction, defects in title to the Leased Properties, under the circumstances and upon the conditions and terms prescribed in the Indenture and in the Sublease, at a redemption price equal to the sum of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

The Bonds maturing on or after October 1, [2033], shall be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under the Sublease on any date with respect to which such prepayment have been made (which shall be on or after October 1, [2032]). The Bonds called for such optional redemption shall be redeemed at a redemption price equal to 100 percent of the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

The Bonds maturing on October 1, 20__ and October 1, 20__ shall be subject to redemption in part by lot from sinking account payments made by the Authority, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, if some but not all of the Term Bonds of a maturity have been redeemed pursuant to the extraordinary redemption or optional redemption described above, each future sinking account payment with respect to such Term Bonds will be reduced on a pro rata basis (as nearly as practicable) in integral multiples of $5,000, so that the total amount of sinking account payments with respect to such Term Bonds to be made subsequent to an extraordinary redemption or an optional redemption shall be reduced by an amount equal to the principal amount of the Term Bonds so redeemed, all as shall be designated pursuant to written notice filed by the Authority with the Trustee:

Bonds Maturing on October 1, 20__

Redemption Date (October 1)	Principal Amount to be Redeemed

_____
* maturity

Bonds Maturing on October 1, 20__

Redemption Date (October 1)	Principal Amount to be Redeemed

_____
* maturity

The Trustee on behalf and at the expense of the Authority shall send by first class mail (or if the registered owner of such Bond is a depository, by such method as acceptable to such depository), notice of any redemption to the respective owners of any Bonds designated for redemption, at their respective addresses appearing on the registration books maintained by the Trustee, to the Securities Depositories and to one or more Information Services (as such terms are defined in the Indenture), at least 30 but not more than 60 days prior to the redemption; provided, however, that neither failure to receive any such notice so sent nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the serial numbers of each maturity or maturities (except that if the event of redemption is of all of the Bonds of such maturity or maturities in whole, the Trustee shall designate such maturities or the maturity in whole without referencing each individual number) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue after the redemption date.

The Bonds shall be issued in denominations of $5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, this Bond may be exchanged at the Trust Office of the Trustee for a like aggregate principal amount, interest rate and maturity of fully registered Bonds of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by such Registered Owner's attorney duly authorized in writing, at the Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary. The Trustee shall not be required to register the transfer or exchange of any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond selected for redemption.

The Indenture and the rights and obligations of the Authority and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture.

It is hereby certified that all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and by the Act and the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California or by the Act.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name and on its behalf, and attested, by the manual or facsimile signatures of its Vice Chair and Secretary as of the Original Issue Date identified above.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By:_____
Vice Chair

Attest:

_____
Secretary

==========

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture and registered on the Bond Registration Books.

Date:_____

The Bank of New York Mellon Trust Company, N.A., as Trustee

By:_____
Authorized Signatory

FORM OF ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto, whose tax identification number is _____, the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) attorney to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

_____

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

_____

NOTICE: Signature must be guaranteed by a member of an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or such other similar program approved by the Trustee.

EXHIBIT B

FORM OF REQUISITION (COSTS OF ISSUANCE)

REQUISITION NO. __
(Costs of Issuance Fund)

with reference to

$[principal amount]
South Tahoe Joint Powers Financing Authority
Lease Revenue Bonds
2023 Series A

[Date]

I. The South Tahoe Joint Powers Financing Authority (the "Authority") hereby requests The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") pursuant to that certain Indenture, dated as of August 1, 2023 (the "Indenture"), by and between the Authority and the Trustee, under the terms of which the above-captioned bonds, to pay from the moneys in the Costs of Issuance Fund established pursuant to the Indenture, the amounts shown on Schedule I attached hereto to the parties indicated in Schedule I.

II. The payees, the purposes for which the costs have been incurred, and the amount of the disbursements requested are itemized on Schedule I hereto.

III. Each obligation mentioned in Schedule I hereto has been properly incurred and is a proper charge against the Costs of Issuance Fund. None of the items for which payment is requested has been reimbursed previously from the Costs of Issuance Fund.

All capitalized terms not defined herein have the meanings ascribed to them in the Indenture.

SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

By:_____
Name:
Title:

EXHIBIT C

FORM OF REQUISITION (PROJECT FUND)

REQUISITION NO. __

(Project Fund)

with reference to

$[principal amount]
South Tahoe Joint Powers Financing Authority
Lease Revenue Bonds
2023 Series A

[Date]

I. Pursuant to Section 3.04 of the Indenture, dated as of August 1, 2023 (the "Indenture"), by and between the South Tahoe Joint Powers Financing Authority (the "Authority") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), under the terms of which the above-captioned bonds were issued, the undersigned, City of South Lake Tahoe, hereby requests the Trustee, to pay from the moneys in the Project Fund the amounts shown on Schedule I attached hereto to the parties indicated in Schedule I.

II. The payees, the purposes for which the costs have been incurred, and the amount of the disbursements requested are itemized on Schedule I hereto.

III. Each obligation mentioned in Schedule I hereto has been properly incurred and is a proper charge against the Project Fund. None of the items for which payment is requested has been reimbursed previously from the Project Fund.

All capitalized terms not defined herein have the meanings ascribed to them in the Indenture.

CITY OF SOUTH LAKE TAHOE

By: _____
Name:
Title:

Notice of Public Hearing
City of South Lake Tahoe
City Council

NOTICE IS HEREBY GIVEN that the City of South Lake Tahoe City Council will conduct a public hearing on August 8, 2023, at 9:00 a.m., or as soon thereafter as possible, at City Hall, City Council Chambers, 1901 Lisa Maloff Way, South Lake Tahoe, to consider the following agenda item:

Proposed issuance of bonds (the "Authority Bonds") by the South Tahoe Joint Powers Financing Authority . The Authority Bonds are being issued to assist the City with the financing of certain public capital improvements, including the costs of construction and installation of the City's new Multigenerational Recreation & Aquatic Center Project.

Any interested person may appear at the public hearing and speak in favor or against this item. Written testimony may be delivered at, or prior to, the Public Hearing addressed to the City Council in care of the City Clerk at PublicComment@cityofslt.us or at the address listed below.

City Council agendas and related staff reports are available at least 72 hours in advance of regular meetings on the City Council page of the City's website www.cityofslt.us or by contacting the City Clerk.

The City Council Chambers meeting facility is accessible to people with disabilities. Every reasonable effort will be made to accommodate any person needing special assistance to attend this meeting. Contact the City Clerk at least 48 hours in advance of the meeting for assistance [28 CFR 35.102.35.104 ADA Title II and Brown Act Government Code Sections 54953.2, 54954.1, 54954.2, and 54957.5].

Susan Blankenship
Susan Blankenship
Elected City Clerk
City of South Lake Tahoe
1901 Lisa Maloff Way, Ste 206
South Lake 851 CA 96150
(530) 542-6005
Published: July 28, 2023

City of South Lake Tahoe

2023 Series A Lease Revenue Bonds

CITY OF
SOUTH LAKE TAHOE

August 8, 2023

The Multigenerational Center

- Over the next two years the City plans to construct a new recreation and aquatics facility to replace the existing recreation center
  - Located on south side of Highway 50 on western end of the City, across from the lake
  - 60,000-square-foot facility planned on 56-acre project site
  - Aquatics center with 6-lane lap pool and separate activity pool with lazy river and spray features
  - Multi-purpose gymnasium, fitness and dance studios
  - Commercial grade kitchen and multiple community gathering spaces

Plan of Finance

- The administration has developed a financing plan based on a number of considerations
  - Use of funds on hand: use funds on hand to limit the amount of lease revenue bonds (LRBs) being issued
  - Type of financing: fixed rate to take advantage of current low interest rates
  - Repayment structure: use of a 30-yr level debt service structure
  - Repayment source: Pledge of City's general fund revenues for use and occupancy of the leased property
    - City intends to use Measure P revenues as primary source for base rental payments
  - Timing: price in mid-August to take advantage of relatively low interest rates; construction to begin next spring

Projected Debt Service

- At current market interest rates, we expect annual debt service to be approximately $3.4 million through fiscal year 2053-54
- Approximately $55.9 million in proceeds would be generated for the project

Sources	
Par Amount	$51,300,000
Premium	5,099,348
	56,399,348
Uses:	
Project Fund	55,892,848
Cost of Issuance	250,000
Underwriter's Discount	256,500
	56,399,348

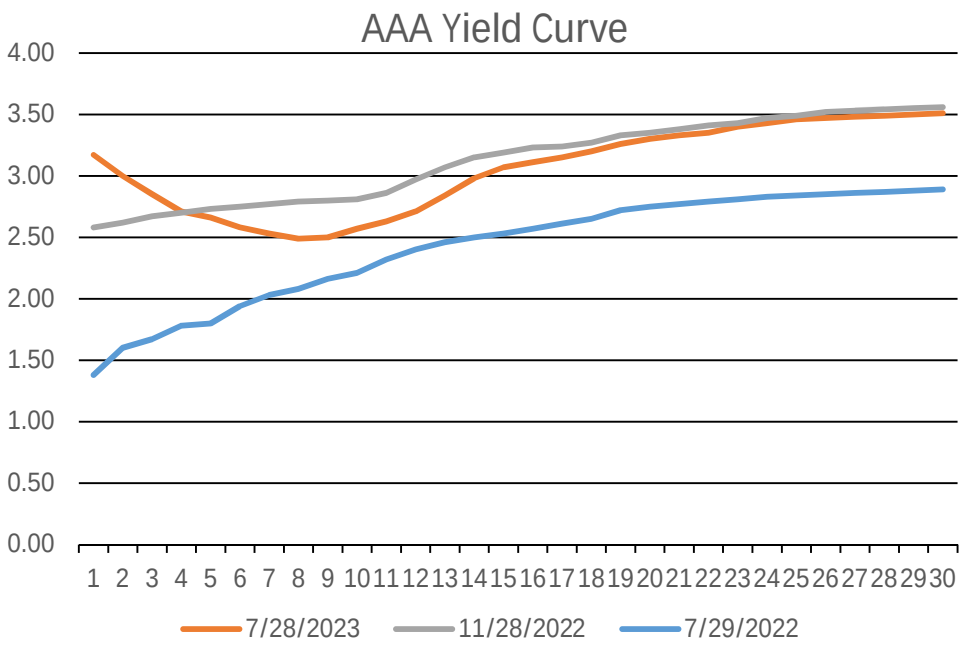
Good Faith Estimates	
Net Proceeds to be Received*	$55,892,848
True Interest Costs	4.39%
Total Debt Service	102,150,368
UW Discount	256,500
Cost of Issuance	250,000

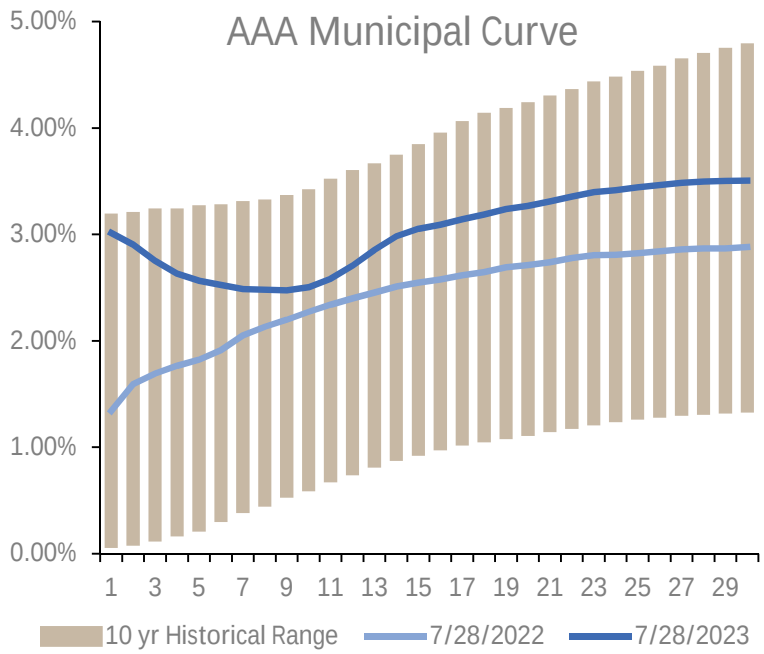
Period Ending	Principal	Interest	Debt Service
10/01/2023		$226,455	$226,455
10/01/2024	765,000	2,629,800	3,394,800
10/01/2025	805,000	2,591,550	3,396,550
10/01/2026	845,000	2,551,300	3,396,300
10/01/2027	890,000	2,509,050	3,399,050
10/01/2028	935,000	2,464,550	3,399,550
10/01/2029	980,000	2,417,800	3,397,800
10/01/2030	1,030,000	2,368,800	3,398,800
10/01/2031	1,080,000	2,317,300	3,397,300
10/01/2032	1,135,000	2,263,300	3,398,300
10/01/2033	1,190,000	2,206,550	3,396,550
10/01/2034	1,250,000	2,147,050	3,397,050
10/01/2035	1,315,000	2,084,550	3,399,550
10/01/2036	1,380,000	2,018,800	3,398,800
10/01/2037	1,445,000	1,949,800	3,394,800
10/01/2038	1,520,000	1,877,550	3,397,550
10/01/2039	1,595,000	1,801,550	3,396,550
10/01/2040	1,675,000	1,721,800	3,396,800
10/01/2041	1,760,000	1,638,050	3,398,050
10/01/2042	1,845,000	1,550,050	3,395,050
10/01/2043	1,940,000	1,457,800	3,397,800
10/01/2044	2,035,000	1,360,800	3,395,800
10/01/2045	2,145,000	1,253,963	3,398,963
10/01/2046	2,255,000	1,141,350	3,396,350
10/01/2047	2,375,000	1,022,963	3,397,963
10/01/2048	2,500,000	898,275	3,398,275
10/01/2049	2,630,000	767,025	3,397,025
10/01/2050	2,770,000	628,950	3,398,950
10/01/2051	2,915,000	483,525	3,398,525
10/01/2052	3,065,000	330,488	3,395,488
10/01/2053	3,230,000	169,575	3,399,575
	$51,300,000	$50,850,368	$102,150,368

*Net of cost of issuances and underwriter's discount
Preliminary rates plus 25 basis points cushion as of July 31, 2023

Interest Rate Movement

- Inflationary pressure and the FOMC rate hikes increased interest rates over the last year:
  - Tax exempt rates are up 179 basis points (bps) on the short end of the curve
  - Long-term rates are up 62 bps





As of 7/31/2023

Financing Structure

- The City leases assets to the South Lake Tahoe Joint Powers Financing Authority in exchange for an upfront payment through a Lease Agreement and Sublease
- The City leases the assets back from the Authority in exchange for an agreement to make payments over time through a Sublease
- The Authority signs over its rights to collect and enforce payments to a trustee bank (BNY Mellon) through an Assignment Agreement
- Once all payments have been made or the LRBs are refunded, the Lease Agreement and Sublease will be terminated

2023 Series A Bonds

- Security
  - Pledge of revenues, consisting mainly of base rental payments payable from the City's general fund revenues for use and occupancy of the leased properties
  - City intends to use Measure P revenues as primary source for base rental payments; FY2022 Measure P revenues totaled $3.42 million
  - City covenants to budget and appropriate annual base rental payments
  - Subject to abatement by reason of any damage, destruction, condemnation or impairment of leasehold interest, there is substantial interference with the use and occupancy of the Leased Properties
  - Reserve requirement not required but may be funded for marketing purposes
- Leased Properties
  - Police Station (released from the 2016 LRBs)
  - Ice Arena
  - Bijou Park

Credit Considerations

- Given that lease payments are subject to appropriation and abatement, the value, essentiality, and resiliency of the assets are key credit considerations
  - Value: Value of the assets (typically based on insured values) must be approximate to the value of the lease revenue bonds
    - The rent in each year represents the "fair rental value" of the premises
  - Essentiality: Is the asset essential to the operations of the City
  - Resiliency: Assets must pass a seismic test to receive a rating by S&P
- Together, the leased assets provide sufficient value, essentiality, and resiliency

	Value	Essentiality	Resiliency
Police Station	Insufficient	✓	✓
Ice Arena	Insufficient	-	✓
Bijou Park	Insufficient	-	NA

Actions of Joint Powers Financing Authority and City Council

- Financing Resolutions
  - Authorizes the issuance of lease revenue bonds in the not to exceed amount of $59 million to finance the construction of the new Multi-generational Recreation and Aquatics Center
  - Approves certain legal and disclosure documents as to form
  - Acknowledges certain ongoing obligations of the City in connection with the financing
  - Authorizes the execution of the closing documents by City staff

Credit Ratings

- Our strategy is to apply to a single rating agency, to apply for bond insurance, and to purchase such bond insurance only to the extent that its benefit exceeds its cost
  - We made a presentation to Standard & Poor's on July 17th
  - S&P assigned their 'AA' rating to the bonds
  - The rating is one notch below the City's implied GO rating due to the appropriation structure
    - Implied GO rating 'AA+'
    - Appropriation rating 'AA'
  - An issue with a "AA" rating is less likely to require the purchase of bond insurance
- In its rating report, S&P Global Ratings highlighted the City's:
  - Deep and diverse economy
  - Prudent and proactive financial management
  - Conservative fiscal framework
  - Manageable debt burden

INVESTMENT GRADE RATINGS		
MOODY'S	S&P	FITCH
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-

Financing Schedule

- The financing is scheduled to price Wednesday, August 16th and to close on Wednesday, August 30th

Date	Activity
August 8th	• Presentation of financing plan and financing resolutions to City Council • City Council approval of bond documents and substantially final preliminary official statement
August 8th	Phase II bid award
August 9th	Post preliminary official statement
August 16th	Pricing of LRBs. Establishment of interest rates
August 30th	Closing. City receives funds

Questions?

pfm

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 13

Agenda Item: Agreement with Roebbelen Contracting, Inc. for Multi-Generational Recreation and Aquatic Center

Executive Summary: City Council will consider a contract with Roebbelen Contracting, Inc. for $67,851,097.00, for the Multi-Generational Recreation and Aquatic Center, including Additive Bid Items: Alt#1: Gymnasium Floor Staining: $10,845; Alt#2: Gym Equipment, Backstops: $132,500; Alt#3: HVL Fans (Add to Gym): $55,400; Alt#4: Paging Capability: $156,200; Alt#5: Card Readers: $137,100; Alt#7: Integral Waterproofing at Pool Deck: $14,099; and a Deductive Bid Item #6: Spray-On Fireproofing: ($181,047).

Requested Action / Suggested Motions: Pass a Resolution appropriating $71,578,652 for the Multi-Generational Recreation and Aquatic Center Project upon successful bond sale and authorizing and directing the Mayor Pro Tem to execute a construction contract with Roebbelen Contracting, Inc. in the amount of $67,851,097.00.

Responsible Staff Member: Anush Nejad, Director of Public Works, John Stark, Director of Parks and Recreation

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Daniel J. Bardzell, Assistant City Attorney

Attachments:

01-Staff_Report_Rec_Center_Award_Roebbelen_Final.docx
02-Resolution-_Phase_2_Budget_Appropriation_Final_V3.docx
03 - Construction_Agreement_Roebbelen-Revised (7-31-23) Signed.pdf
04 - Roebbelen Presentation.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 8, 2023

Title: Construction Contract Award for Multi-Generational Recreation and Aquatics Center Phase 2

Project Location: 1150 Rufus Allen Boulevard, South Lake Tahoe, CA

Responsible Staff Member: Anush Nejad, Director of Public Works (530) 542-6031, John Stark, Director of Parks and Recreation (530) 542-6197, and Olga Tikhomirova, Finance Director (530) 542-7431

Background:
In July 2020, the City retained the services of JK Architecture, and the design of the project was completed in 2022. The project construction was divided into 2 phases. Phase 1 was the site work, which started in 2022. Phase 1 of the project is complete and ready for the start of Phase 2, the vertical building construction.

The Department of Public Works released Phase 2 bid documents for the vertical construction and remaining site work to the public on August 22, 2022. On October 24, 2022, the City received two bids for the project from ACC Contractors, Inc. and Bobo Construction, Inc. On November 15. 2022, the City Council rejected both bids due to irregularity of bid submittal from the low bidder, ACC Contractors, Inc., and low confidence in the capacity of both contractors.

The City Council directed staff to conduct value engineering, consider additional contractor incentives, and re-bid the project.

Issue and Discussion:
Staff worked with the consultants to incorporate value engineering and other incentives in the contract provisions. In addition, staff developed Pre-Qualification requirements and advertised the requirements on Planet Bids on March 24, 2023. 225 Contractors were notified regarding the opportunity. 32 contractors downloaded the Pre-Qualification package. Four Contractors submitted Pre-Qualification documents, and all four were selected for submittal of the bids. The four pre-qualified contractors are listed in *Table A.*

Firm	Location
Broward Builders, Inc.	Woodland, CA
Clark/Sullivan Construction	Roseville, CA
Devcon Construction, Inc.	Reno, NV
Roebbelen Contracting, inc.	El Dorado Hills, CA

Table A – Firms submitted Pre-Qualification

On May 16, 2023, the City issued the Bid documents to the four qualified bidders. A pre-bid meeting was held on June 2, 2023, including a site meeting. Prospective contractors submitted 111 Request for Information (RFI) during the bidding phase, which were answered. The City issued four addenda to the contract documents to clarify questions.

On June 27, 2003, the City received one bid from Roebbelen Contracting, Inc. for the Base Bid amount of **$67,526,000.00.** In addition to the Base Bids, the City itemized seven Alternate bid items, as shown in Table B below:

Additive and Deductive Alternates:

	ADDITIVE ALTERNATE	Amount
1	Gymnasium Floor Staining	$10,845
2	Gym Equipment and Backstops	$132,500
3	HVL Ceiling Fans (2) - Gymnasium	$55,400
4	Paging System (Whole Facility)	$156,200
5	Card Readers	$137,100
7	Integral Waterproofing at Pool Deck	$14,099
	TOTAL ADDITIVE ALTERNATES	$506,144
	DEDUCTIVE ALTERNATE	
6	Spray-On Fireproofing	($181,047)
	TOTAL DEDUCTIVE ALTERNATES	($181,047)
	GRAND TOTAL	**$325,097**

Table B – Alternate Bid Items

Staff is recommending the award of all Additive and Deductive Bid items. The total contract sum with the Additive and Deductive Bid Items is **$67,851,097.00.**

The Department of Public Works, in coordination with the city's pre-construction team SierraCon/CORE, estimated the project's construction cost at **$68,118,148.00**. The estimate was based on consultation with several contractors and sub-contractors working in the general region on similar projects as well as hard cost data from similar projects within the Reno/Sacramento area.

The bid of $67,526,000 represents a value of approximately 1% below the engineer's estimate. In addition, based on the Industrial Building Actual Cost Index, construction costs rose 41.9% during the last five years, from 2019 to 2023. A project cost of $50 million in 2019 is approximately $71 million in 2023. Based on these two indicators, Roebbelen's bid reflects a reasonable cost for this project.

Financial Implications:

Roebbelen's total bid with Alternate Bid Items is $67,851,097. Staff recommends a 5% construction contingency for $3,392,555. In addition to the construction costs, several short-term budget appropriations is needed, totaling $335,000.

1. Labor Compliance Services: $50,000
2. Utility Fees: $265,000
3. Inspection and Permitting Fees: $20,000

Other peripheral costs associated with the project, which will be required after the start of construction, will be brought forward in the future for appropriation and are estimated at **$2,075,000:**

1. Construction Management Support Services: $1,000,000
2. Special Inspection Services/Materials Testing: $650,000
3. Commissioning: $200,000

4. Incentive Bonus (If needed): $225,000

Other costs associated with the project and recommended for fundraising through the South Lake Tahoe Parks Foundation are estimated at **$1,055,000.** These include:

1. Kitchen, Gym, Pool & maintenance Daily Operational Materials: $ 100,000
2. AV and Computer Equipment: $ 175,000
3. Public Art: $100,000
4. Furniture, Fixture, and Equipment (FF&E): $ 680,000

The project costs are supported by Measure P, Measure S, ARPA, and General Fund appropriations as detailed below in *Table C*

Sources of Funds	Amount
Lease Revenue Bond Proceeds (conservative estimate)	$55,000,000
Measure P Cash on Hand	$12,400,000
Measure S Sales Tax Fund	$1,000,000
General Fund Unassigned Excess (Commercial Kitchen)	$1,900,000
ARPA unallocated Funds	$2,700,000
General Funds Excess Reserves	$700,000
Total Funds	**$73,700,000**
Today's Budget Appropriation	**$71,578,652**

Table C – Project Funding

The *total estimated* cost of the Phase 2 project requiring budget appropriations today is $71,578,652 and includes total construction contract cost with alternate bid items ($67,851,097), 5% construction contingency ($3,392,555), labor compliance ($50,000), utility fees ($265,000), and inspections and permitting ($20,000).

The budget for construction management ($1,000,000), commissioning ($200,000), materials testing ($650,000), as well as the incentive bonus ($225,000) will be appropriated at a later date upon award of those contracts or as needed.

It is anticipated that based on the current market conditions, selling the bonds at the new approved maximum of **$59 million** can generate between $54.5 million and $56.6 million. Measure "P" TOT ending fund balance for the fiscal year 2022/23 is projected at approximately $13.0 million. The General Fund has the required estimated $2.6 million in undesignated excess reserves available to allocate to the project, with $1.9 million towards the commercial kitchen which is required to be funded by sources other than Measure P. Unallocated ARPA funding is required to be obligated by December 2024 and expended by December 2026. Measure S Sales Tax general fund has an accumulated but unallocated fund balance from the prior fiscal year of approximately $2.2 million.

The attached resolution will appropriate up to the maximum projected usage from each of the five proposed sources identified above, for the total appropriations not to exceed **$71,578,652.** Once the bonds are sold and the proceeds amount is known, the project funding budget true-up will be presented to Council in September 2023, including annual debt service appropriations.

Environmental Considerations:

On January 18, 2022, City Council adopted an Initial Study/Mitigated Negative Declaration (IS/MND) for the 56 Acre Master Plan and the Multigenerational Recreation and Aquatics Center (State Clearinghouse file

#2021120206). This action is included within the scope of the IS/MND and no further environmental review is required under CEQA Guidelines section 15162.

Policy Implications:

The Project is consistent with the following Strategic Plan, General Plan, Community Plan and Recreation Plan documents:

Strategic Plan 1.2 – Mid-town Revitalization - Action Item

1. Complete the new Recreation and Swim Complex and in the meantime, maintain the current complex for resident use.

General Plan Policy LU-3.2: Neighborhood and Recreation Connectivity. The City shall improve connections and access to a wide range of recreational opportunities, which will improve the quality of life of residents and visitors.

General Plan Policy LU-8.1: Mountain Architectural Theme. The City shall promote the use of a "mountain" architectural theme in all new and remodeled developments. Mountain architecture features the use of pitched roofs, natural colors, and natural material such as rock and wood.

General Plan Policy LU-8.2: Native Plant Use. The City shall require the most environmentally efficient and attractive landscaping at all City-owned public buildings and encourage their use and maintenance on private property

General Plan Policy LU-9.1: Sustainable Construction Methods. The City shall promote the use of "green" and sustainable construction in new housing units, commercial developments, and mixed-use centers.

General Plan Policy LU-11.3: Equitable Distribution of New Public Facilities and Services. The City shall plan for the equitable distribution and use of new and upgraded public facilities and services that increase and enhance the entire community's quality of life.

General Plan Policy LU-11.4: Quality of Life for all Age Groups. The City shall develop a strategy to provide amenities and facilities that support a high quality of life for all age groups.

General Plan Policy ED-1.10: Expanding Events and Entertainment Opportunities. The City shall encourage the sponsors of sporting events, festivals, parades, international competitions, and entertainment shows to hold events at public (e.g., Parks and Recreation facilities, roads, or public lands) and private facilities in South Lake Tahoe, particularly during off-season (Spring and Fall). The City shall also participate in community organizations specifically formed for this purpose (e.g., Sports Commission).

General Plan Policy PQP-8.4: Coordination with Utility Providers. The City shall coordinate with gas and electricity service providers to site and design gas and electric systems to minimize environmental, aesthetic, and safety impacts to existing and future residents.

General Plan Policy PQP-10.1: Social Activity Centers. The City shall design new community centers and other types of public facilities as social activity centers.

General Plan Policy PQP-10.2: Energy Efficiency in City Buildings and Facilities. The City shall incorporate energy efficiency standards into all City-owned and operated buildings and facilities.

General Plan Policy PQP-10.4: Joint-Use Facilities. The City shall coordinate with other agencies to

establish and maintain joint-use facilities in South Lake Tahoe.

General Plan Policy ROS-1.1: Recreational Services. The City shall design and develop recreational services to promote full use of recreational facilities within their design capacity.

General Plan Policy ROS-1.5: Community Pool The City shall develop high-quality community pool facilities that can be used year- round, which includes such amenities as a permanent/retractable roof, splash pool, therapy pool, pool sprays, pool climbing wall, adventure apparatus and slides.

General Plan Policy NCR-6.7: LEED Certified Public Buildings. The City shall develop all new City buildings to meet LEED standards.

Bijou/Al Tahoe Community Plan Chapter V(1) Objective 1: Increase the family oriented active and passive recreational opportunities to serve local residents as well as visitors.

Policy C: Provide a greater variety of sporting facilities in the "Government Center" District (CSLT Recreation Complex, Campground by the Lake, Lake Tahoe Community College, etc.), while maintaining those that are existing. Review the possibility of expanding the CSLT Parks and Recreation facilities located on Rufus Allen Boulevard. Additional outdoor uses (volleyball courts, horseshoe pits, picnic tables/eating areas, ice skate rink, etc.) would be an asset, when provided in conjunction with the existing uses at the complex.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

August 8, 2023

Appropriation of Funds Upon Successful Bond Sale for the Construction of the Multi-Generational Recreation and Aquatics Center Phase 2 and Associated Labor Compliance, Permitting and Utilities Fees

BACKGROUND

A. The City of South Lake Tahoe has designated the Multi-Generational Recreation and Aquatics Center a viable and highly-desired community project.

B. The Department of Public Works has solicited bids for construction of Phase 2 of the project.

C. Upon evaluation of proposals, the Department of Public Works recommends award of a Construction Agreement in the amount of $67,851,097 to Roebbelen Contracting, Inc. of El Dorado Hills, CA.

D. The Department of Public Works recommends a project construction contingency of 5% of the Construction Agreement in the amount of $3,392,555 be appropriated to the project fund.

E. The Department of Public Works recommends funds to support project labor compliance, permitting and utilities fees in the amount of $335,000 be appropriated to the project fund.

F. The Department of Public Works will return with additional budget appropriation requests for construction management contract, commissioning costs, materials testing and potentially incentive bonus at a later date upon awards of those contracts or as needed.

G. During August 8, 2023 City Council Meeting, the City Council approved the bond issuance by the South Tahoe Joint Powers Financing Authority (the “Authority”), and the Authority has approved the sale, issuance and delivery of Lease Revenue Bonds 2023 Series A in the principal amount not to exceed $59 million.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Appropriates the Bond proceeds upon successful bond sale by the South Tahoe Joint Powers Financing Authority and the following funds to the Project fund, not to exceed a total of $71,578,652: Lease Revenue Bonds in the amount of up to $57,000,000, Measure P Cash on Hand in the amount of up to $11,200,000, Measure S Sales Tax

general fund available fund balance in the amount of up to $1,000,000, unallocated ARPA funding in the amount of approximately $2,700,000, and General Fund Undesignated Excess Reserves in the amount of up to $2,600,000. All amounts are subject to true-up on or around September 26, 2023; and

2. After successful bond sale, transfer said funds into the project fund (30160018) to award the Construction Agreement, provide construction contingency, and appropriate funds to support labor compliance, permitting and utilities fees. Fund transfer detail in the table below.

From Fund:	**Source**	**Amount**
36330	Lease Revenue Bonds Proceeds (est.)	(-) up to $57,000,000
36309	Measure P Cash on Hand	(-) up to $11,200,000
36374	Measure S Sales Tax Fund	(-) up to $1,000,000
36300	ARPA unallocated funds	(-) up to $2,700,000
36300	General Fund Undesignated Excess Reserves	(-) up to $2,600,000
	Total Not to Exceed	**(-) $71,578,652**
To Fund:	**Task**	**Amount**
30160018-48030	Construction	(+) $67,851,097
30160018-48032	Construction Contingency	(+) $3,392,555
30160018-48033	Testing/Inspection	(+) $70,000
30160018-48035	Utilities	(+) $265,000
	Total	**(+) $71,578,652**

Account:	**Description**	**Amount**
401-01910-36406	Proceeds from Sale of 2023 Bonds (est.)	(-) up to $57,000,000
Account:	**Description**	**Amount**
401-01910-47040	Bond Issuance Cost	Tbd
401-01910-47041	Underwriter Discount	Tbd
401-01910-50014	Transfer out to City CIP (project)	(+) up to $57,000,000

3. Authorizes and directs the Mayor Pro Tem to execute the Construction Agreement with Roebbelen Contracting Inc. of El Dorado Hills, CA in the amount of $67,851,097 with 5% construction contingency in the amount of $3,392,555, and upon successful bond issuance for the project.

Adopted by the City of South Lake Tahoe City Council on August 8, 2023 by the following vote:
Yes:
No:

Absent:
Abstain:

_____ Date:_____

Cody Bass, Mayor Pro Tem

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

CITY OF SOUTH LAKE TAHOE
DEPARTMENT OF PUBLIC WORKS

AGREEMENT

DOCUMENT 00 52 00 - AGREEMENT

CITY OF
SOUTH LAKE TAHOE

City of South Lake Tahoe

DEPARTMENT OF PUBLIC WORKS
AGREEMENT
for

CITY OF SOUTH LAKE TAHOE RECREATION AND AQUATICS CENTER
PHASE 2
PWC 15-30160018 – Phase 2
CITY BID NO. 15-30160018 – BN-2

THIS AGREEMENT is made and entered into this **8th** day of **August 2023**, by and between the City of South Lake Tahoe, a political subdivision of the State of California, herein designated "City", and **Roebbelen Contracting, Inc.**, herein designated as "Contractor."

WITNESSETH, that the City and the Contractor, in consideration of the mutual covenants hereafter set forth, agree as follows:

ARTICLE 1 - THE WORK

Contractor agrees to furnish all labor, tools, equipment, facilities, materials, transportation, and services necessary to perform and complete, in a good and workmanlike manner, the **CITY OF SOUTH LAKE TAHOE RECREATION AND AQUATICS CENTER** as required pursuant to the Contract Documents.

ARTICLE 2 - COMMENCEMENT AND COMPLETION

The Work to be performed under this Agreement shall commence at the time as specified in the Notice to Proceed, and the Contractor shall diligently undertake the performance of the obligations as set forth in the Contract Documents to achieve Final Completion of the Work within **806 calendar days** after the date of commencement of the Work is authorized as set forth in the Notice to Proceed (the "Contract Time"). ***No grading or excavation or other land disturbance will be allowed between October 15th and May 1st. All Work shall be performed after the issuance of the Notice to Proceed, and Final Completion achieved within the contract time as set forth in these Bid Documents.***

The City and the Contractor recognize that time is of the essence of this Agreement and that the City will suffer financial loss if the Work is not completed within the time specified herein, plus any extensions thereof allowed in accordance with the Contract Documents. The City and Contractor also recognize the delays, expense, and difficulties involved in proving the actual loss suffered by the City if the Work is not completed within the Contract Time. Accordingly, instead of requiring any such proof, and pursuant to the Contract Documents, the City and the Contractor agree that as liquidated damages (but not as a penalty), the Contractor shall pay the City the sum of $2,000 for each calendar day beyond November 11, 2025 (Milestone 1 – Substantial Completion) and continuing until Bidder achieves Milestone #1. Contractor shall pay the City the sum of $1,500 for each calendar day beyond that portion of the Contract Time within which the Bidder is required to achieve Milestone #2, Final Completion (January 19, 2026) continuing until Bidder achieves Milestone #2.

ARTICLE 3 - CONTRACT PRICE

The City agrees to pay, and the Contractor agrees to accept, in current funds for the performance of the Work pursuant to the Contract Documents, the Base Contract Sum and the Additive Alternate Sum for the completion of the Work in accordance with the Contract Documents per the Schedule of Values which shall be submitted within seven (7) calendar days of award and approved by City:

TOTAL BASE CONTRACT SUM $67,526,000.00

For the Total Base Contract Sum of **Sixty-Seven Million, Five Hundred Twenty-Six Thousand Dollars and Zero Cents.**

Additive and Deductive Alternates:

	ADDITIVE ALTERNATE	SUM
1	Gymnasium Floor Staining	$10,845
2	Gym Equipment and Backstops	$132,500
3	HVL Ceiling Fans (2) - Gymnasium	$55,400
4	Paging System (Whole Facility)	$156,200
5	Card Readers	$137,100
7	Integral Waterproofing at Pool Deck	$14,099
	TOTAL ADDITIVE ALTERNATES	$506,144
	DEDUCTIVE ALTERNATE	
6	Spray-On Fireproofing	($181,047)
	TOTAL DEDUCTIVE ALTERNATES	($181,047)
	GRAND TOTAL	**$325,097**

TOTAL CONTRACT SUM $67,851,097.00

For the Total Contract Sum of **Sixty-Seven Million, Eight Hundred Fifty-One Thousand, Ninety-Seven Dollars, and Zero Cents.**

The above Total Contract Sum includes all allowances, if any, provided for in the Contract Documents.

Compensation for Unit Price Items (if any) shall be based upon the unit prices stated in the approved schedule of values multiplied by the actual quantities or units of work and materials performed or furnished. Unit prices paid by the City may change depending on actual quantities or units of work completed in accordance with the Contract Documents.

ARTICLE 4 - PREVAILING WAGES

Pursuant to the provisions of California Labor Code, Sections 1770 to 1780, inclusive thereof, the Contractor, and any subcontractor, of any tier, shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations.

In compliance with Senate Bill 854 and the California Labor Code, this project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. Contractors must submit their certified payroll records directly to the Division of Labor Standards Enforcement Compliance Monitoring Unit through the electronic certified payroll reporting (eCPR) system, as well as to the City.

Pursuant to the provisions of California Labor Code Section 1773.2, the Contractor is hereby advised that copies of the prevailing rate of per diem wages and a general prevailing rate for holidays, Saturdays and Sundays and overtime work in the locality in which the Work is to be performed for each craft, classification, or type of worker required to execute the Contract, are on file in the City's office. The Contractor agrees that not less than said prevailing rates shall be paid to workers employed on this public works contract as required by Labor Code Section 1774. These rate determinations are found on the State of California Department of Industrial Relations' website at: http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm.

ARTICLE 5 - CONTRACT DOCUMENTS

The Agreement includes and incorporates by reference the Contract Documents for the Project, which consists of the following documents:

(a) Advertisement for Bids (00 11 13)

(b) Instructions to Bidders (00 21 13)

(c) Substitution Procedures (00 26 00)

(d) Bid Form (00 41 00)

(e) Subcontractor List (00 43 26)

(f) Proposed Schedule of Values Form (00 43 73)

(g) Non-Collusion Affidavit (00 45 19)

(h) Certificate of Worker's Compensation (00 45 26)

(i) Drug Free Workplace Certification (Document 00 45 27)

(j) Agreement (00 52 00)

(k) Payment Bond Form (00 61 14)

(l) Performance Bond Form (00 61 13)

(m) Certification of Certified Payroll Records Submittal (00 62 92)

(n) Guaranty Form (00 65 36)

(o) General Conditions (00 72 00)

(p) Project Manual Division 00 through 33 40 00

(q) Technical Specifications

(r) Contract Drawings

(s) Addenda (numbers 1, 2, 4 and 5) inclusive.

(t) Permits from other agencies as may be required by law.

(u) Geotechnical Engineer Report

(v) Geotechnical Engineering Report Supplement No. 1

Exhibits to this Agreement are enumerated as follows:

- Accepted Contractor's Bid Form attached hereto as Exhibit A;
- Insurance Certificates and Endorsements as Exhibit B; and
- City Business License as Exhibit C.
- Performance and Payment Bonds.

ARTICLE 6 - WORKERS' COMPENSATION

Contractor shall take out and maintain during the life of the Agreement, adequate and sufficient workers' compensation insurance for all Contractor's employees employed at the site of improvements, and, if any Work is sublet, Contractor shall require each subcontractor similarly to provide workers' compensation insurance for all of the latter's employees, unless such employees are covered by the protection afforded by Contractor. If any class of employees engaged in Work under this contract at the site of the Project is not protected under workers' compensation law, Contractor shall provide, and shall cause each subcontractor to provide, adequate insurance for the protection of employees not otherwise protected. Contractor shall indemnify the City and the County of El Dorado for any damage resulting to it from failure of

either Contractor or any subcontractor to take out or maintain such insurance.

By its signature upon this Agreement, Contractor certifies that it has carefully reviewed and is aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for worker's compensation, or to undertake self-insurance in accordance with the provisions of the labor Code. Contractor, as a condition precedent to the commencement of its Work pursuant to the Agreement, shall comply with such provisions.

ARTICLE 7 - INDEMNITY AND INSURANCE

To the fullest extent permitted by law, including, without limitation, Civil Code section 2782, *et seq*., and in strict accordance with the Contract Documents, Contractor shall defend, indemnify, and hold harmless the City, its officials, officers, City Council members, employees, agent, the County of El Dorado, the Architect/Engineer, the Project Manager, the Project consultants, and their respective principals, officers and employees, and each of them, of and from any and all claims, demands, suits, causes of action, damages, costs, expenses, attorneys' fees, losses, or liability, in law or in equity, of every kind and nature whatsoever related to, arising out of, or in connection with, Contractor's operations to be performed under this Agreement, and as otherwise set forth in Contract Documents, including, without limitation, Document 00 72 00 (General Conditions Article 11). The obligations of defense and indemnity set forth in this Article, and in the Contract Documents, shall not be limited by any insurance requirements or obligations pursuant to the Contract Documents, and shall not extend to the sole negligence or willful misconduct of the City, or the active negligence of the City. The obligations arising from this Article shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity (including all duties to defend), which would otherwise exist as to a party, or person described elsewhere in the Contract Documents.

Contractor shall maintain the insurance coverage described in Document 00 72 00 (General Conditions Article 11), of the Project Manual, throughout the performance of the Agreement, including any maintenance, warranty and/or guaranty periods. This Agreement shall not be operative until evidence of such insurance has been provided to, and approved by, the City as to form, amount, and carrier. Contractor shall not allow any subcontractor to commence Work at the Project until subcontractor provides evidence to Contractor and City that subcontractor has obtained insurance acceptable to the City.

ARTICLE 8 - NOTICES

Whenever any provision of the Contract Documents requires the giving of written notice, it shall be deemed to have been validly given if delivered in person to the individual for whom it is intended, or if delivered at or sent by registered or certified mail, postage prepaid, to the address listed below:

Notices required to be given to City:
Public Works Director/City Engineer
City of South Lake Tahoe
1740 D Street
South Lake Tahoe, CA 96150-6251

Notices required to be given to Contractor:
Robert J. Kjome, Executive Vice President
Roebbelen Contracting, Inc.
1241 Hawks Flight Court
El Dorado Hills, CA 95762

Notices required to be given to any surety(ies):
TBD

ARTICLE 9 – MISCELLANEOUS

9.1 Terms. Terms used in this Agreement will have the meanings indicated in the Contract Documents.

9.2 Assignment. No assignment by a party hereto of any rights under or interests in the Agreement will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

9.3 Successors and Assigns. City and Contractor each binds itself, its partners, successors, assign, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

9.4 Severability. Any provision or part of the Contract Documents held to be void or unenforceable under any law or regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon City and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

9.5 South Lake Tahoe City Code. Contractor acknowledges that all pertinent provisions within the South Lake Tahoe City Code are incorporated by reference as though set forth in full herein, and, further, the failure of Contractor or any subcontractor, of any tier, to comply with any of its/their obligations under the Contract Documents, or the requirements of the South Lake Tahoe City Code, or any other applicable law, code, statute, or regulation, shall be deemed a material breach of the Agreement.

9.6 Third Party Beneficiary. Contractor expressly acknowledges the City's status as a third party beneficiary solely with respect to the performance to be rendered under each subcontract, of any tier, upon the Project, and, as a result, Contractor acknowledges that City possesses, *inter alia*, the rights enumerated within the South Lake Tahoe City Code as to the enforcement of obligations under subcontracts of any tier.

9.7 Regulatory Requirements. Contractor acknowledges that the Project is subject to requirements and regulations issued on behalf of various governmental and/or regulatory bodies, including, without limitation, the Lahontan Regional Water Quality Control Board and the Tahoe Regional Planning Agency, among others. Contractor agrees to fully and promptly comply with any and all requirements and regulations issued on behalf of such entities.

9.8 Governing Law. This Agreement and the Contract Documents shall be deemed to have been entered into in the County of El Dorado, State of California, and governed by California

law. By entering into this Agreement, the Contractor consents and submits to the jurisdiction of Courts of the State of California, County of El Dorado, over any action of law, suit in equity, and/or other proceeding that may arise out of the Contract Documents.

IN WITNESS HEREOF, the said City of South Lake Tahoe, State of California, has caused this Agreement to be executed by its Mayor in its behalf, and the said Contractor has signed this Agreement the day and year first above written.

CITY OF SOUTH LAKE TAHOE

By _____
Cody Bass
Mayor Pro Tem, City of South Lake Tahoe,
State of California

Contractor: Roebbelen Contracting Inc.

By _____
Robert J. Kjome

Title Executive Vice President

Business License No. _____

ATTEST:

By _____
City Clerk
City of South Lake Tahoe

APPROVED AS TO FORM:

By _____
City Attorney
City of South Lake Tahoe

EXHIBIT A

BID FORMS

ROEBBELEN CONTRACTING, INC.

BID FORM

PROJECT: City of South Lake Tahoe Recreation and Aquatics Center ("the Work")

Bidder Name	Roebbelen Contracting, Inc.	
Bidder Representative(s)	Robert J. Kjome, Executive Vice President Name and Title Name and Title	
Bidder Representative(s) Contact Information	Email estimating@roebbelen.com	Phone/Fax (916) 939-4000 Telephone (____) ____ Fax
Bidder Mailing Address	1241 Hawks Flight Court Address El Dorado Hills, CA 95762 City/State/Zip Code	
California Contractors' License	734124 Number 03/31/2025 Classification and Expiration Date	

1. Base Bid Proposal.

1.1. Base Bid Proposal Amount. The undersigned Bidder proposes to furnish all labor, materials, tools, equipment and services necessary to complete in accordance with the Contract Documents for the above-described Work, for the sum of:

Sixty seven million five hundred twenty six thousand Dollars ($ 67,526,000.00).

The Bidder confirms that it has checked all of the above figures and understands that neither the City nor any of its agents, employees or representatives shall be responsible for any errors or omissions in this Bid Proposal.

1.2. Acknowledgment of Bid Addenda. The Bidder confirms that this Bid Proposal incorporates and is inclusive of, all items or other matters contained in Bid Addenda issued by or on behalf of the City. Received, acknowledged and incorporated into this Bid Proposal the following Addenda:

1, 2, 4, 5
(List Addenda)

(Initials of Bidder's Representative)

Alternate Bid Items. If the bidding includes Alternate Bid Items, the Bidder's price proposal(s) for Alternate Bid Items is/are set forth in the form of Alternate Bid Item Proposal attached to this Bid Proposal. California Public Contract Code section 20103.8: (a) The lowest bid shall be the lowest bid price on the base contract without consideration of the prices on the additive or deductive items. Price proposal(s) for Alternate Bid Item(s) will not form the basis for the City's

award of the Contract unless an Alternate Bid Item is incorporated into the scope of Work of the Contract awarded.

2. Documents Accompanying Bid Proposal. The Bidder has submitted with this Bid Proposal the following: (i) Bid Security; (ii) Subcontractors List; (iii) Verification of Pre-Qualification Application, if applicable; (iv) Non-Collusion Affidavit; and (v) DIR Registration Verification. The Bidder acknowledges that if this Bid Proposal and the foregoing documents are not fully in compliance with applicable requirements set forth in the Call for Bids, the Instructions for Bidders and in each of the foregoing documents, the Bid Proposal may be rejected for non-responsiveness.

3. Award of Contract. Within Seven (7) calendar days after notification of award of the Contract, the Bidder awarded the Contract shall execute and deliver to the City the Contract in the form attached hereto along with: (i) Certificates of Insurance evidencing all insurance coverages required under the Contract Documents; (ii) the Performance Bond; (iii) the Labor and Material Payment Bond; (iv) the Certificate of Workers' Compensation Insurance; and (v) the Drug-Free Workplace Certification, (vi) Copy of City of South Lake Tahoe Business License, (vii) Schedule of Values and Escrow Documents. Failure of the Bidder awarded the Contract to strictly comply with the preceding may result in the City's rescission of the award of the Contract and/or forfeiture of the Bidder's Bid Security. In such event, the City may, in its sole and exclusive discretion elect to award the Contract to the responsible Bidder submitting the next lowest priced Bid Proposal, or to reject all Bid Proposals.

4. Contractors' License. The Bidder certifies that: (i) it is duly licensed, in the necessary class(es), for performing the Work of the Contract Documents, as designated by the City; (ii) that such license shall be in full force and effect throughout the duration of the performance of the Work under the Contract Documents; and (iii) that all Subcontractors providing or performing any portion of the Work are and shall remain properly licensed to perform or provide such portion of the Work.

5. Agreement to Bidding Requirements. The undersigned Bidder acknowledges and confirms its receipt, review and agreement with the contractual requirements set forth in this Bid Proposal and the Contract Documents.

6. Acknowledgment and Confirmation. The undersigned Bidder acknowledges its receipt, review and understanding of the Drawings, the Specifications and other Contract Documents pertaining to the proposed Work. By submitting this Bid Proposal, the undersigned Bidder certifies that the Contract Documents are, in its opinion, adequate, feasible, accurate and complete for the Bidder to complete the Work in a workmanlike manner within the Contract Time and for the price proposed herein. The undersigned Bidder warrants and represents to the City that it has, or has available, all necessary equipment, personnel, materials, facilities and technical and financial ability to complete the Work for the amount bid herein, within the Contract Time and in accordance with the Contract Documents.

Dated: June 22, 2023

By: _____
(Signature of Bidder's Authorized Officer or Representative)

Robert J. Kjome
(Typed or Printed Name)

Title: Executive Vice President

ROEBBELEN CONTRACTING, INC. CORPORATE SEAL 3/14/1997 CALIFORNIA

CSLT – Recreation & Aquatics Center Bid Breakdown Form (Due on 6/28/23 by 2pm)

Division	Spec Section	Description	Value
Division 00 / 01			$ 5,395,768
	Div 00	Procurement and Contracting Requirements	
	Div 01	General Conditions/General Requirements	
Site Work			$ 3,157,399
	02 41 16	Structure Demo	
		Survey & Staking	
	Div 31	Earthwork, Utilities, & Paving	
		SWPPP	
	Div 33	Utilities	
Site Work Finish			$ 1,667,639
	32 84 00	Planting and Irrigation	
	32 92 00	Turf and Grasses	
	32 84 00	Plants	
	32 31 19	Decorative Metal Fences and Gates	
	32 33 00	Site Furnishings	
Concrete			$ 8,846,901
	03 10 00	Concrete Formwork and Accessories	
	03 21 00	Reinforcing Steel	
	03 30 00	Cast in Place Concrete	
	03 35 00	Concrete Floor Finishing	
	03 41 00	Structural Precast Concrete	
	03 45 00	Precast Architectural Concrete	
	03 54 00	Portland Cement Based Underlayment	
Masonry			$ 2,376,711
	04 05 00	Mortar and Grout	
	04 22 00	Concrete Unit Masonry	
	04 43 13	Anchored Stone Masonry Veneer	
Metals			$ 6,370,474
	05 12 00	Structural Steel	
	05 12 13	Architecturally Exposed Struct Steel	
	05 21 00	Steel Joists	
	05 30 00	Metal Decking	
	05 50 00	Metal Fabrication	
	05 51 00	Metal Stairs	

	05 51 33	Aluminum Ladders	
	05 55 16	Metal Stair Nosing	
	05 58 13	Metal Column Covers	
	05 73 00	Decorative Metal Stairs and Railings	
Wood, Plastics and Composites			$ 524,133
	06 10 00	Rough Carpentry	
	06 16 43	Exterior Gyp Sheathing	
	06 41 00	Architectural Wood Casework	
	06 63 10	Plastic Fabricated Benches	
Thermal, Fire and Moisture Protection			$ 1,767,928
	07 10 00	Below Grade Waterproofing	
	07 13 26	Self-Adhering Sheet Waterproofing	
	07 21 00	Thermal & Sound Insulation	
	07 21 19	Foamed-in Place Insulation	
	07 22 00	Roof and Deck Insulation	
	07 26 16	Below Grade Vapor Retarder	
	07 81 00	Spray- Applied Fire Protection	
	07 81 23	Intumescent Fire Protection	
	07 84 13	Penetration Firestopping	
	07 92 00	Joint Protection	
	07 95 00	Expansion Control	
Roofing Systems			$ 3,260,569
	07 52 11	SBS Modified Bitumen Membrane Roofing	
	07 70 10	Roof Ice Melt System	
	07 76 00	Hybrid Pedestal System	
Exterior Finishes			$ 1,907,284
	07 42 13	Formed Metal Wall Panels	
	07 46 46	Fiber Cement Siding	
	07 62 00	Sheet Metal Flashing and Trim	
Openings			$ 416,019
	08 16 13	Composite Doors	
	08 31 13	Access Doors and Frames	
	08 33 13	Coiling Counter Doors	
	08 90 00	Louvers and Vents	
Glass/Glazing			$ 1,524,825
	08 41 13	Aluminum Framed Storefronts, Entrances and Window	
	08 43 23	Folding Glass Storefronts	
	08 44 13	Glazed Aluminum Curtain Walls	
	08 71 00	Door Hardware	

	08 71 13	Automatic Door Operators	
	08 81 00	Glass Glazing	
Framing/Gyp			$ 2,667,963
	05 40 00	Cold Formed Metal Framing	
	06 16 43	Exterior Gypsum Sheathing	
	09 21 16	Gypsum Board	
Finishes			$ 3,133,749
	09 05 61	Flooring Preparation	
	09 25 13.23	Interior Acrylic Polymer Coating System	
	09 30 00	Tiling	
	09 64 29	Wood Strip Flooring	
	09 67 23	Resinous Flooring	
	09 51 00	Acoustical Ceilings	
	09 84 12	Acoustic Accessories	
	09 77 33	FRP Panels	
	09 65 00	Resilient Flooring and Base	
	09 68 13	Tile Carpeting	
	09 91 13	Exterior Painting	
	09 91 23	Interior Painting	
	09 96 00	High Performance Coatings	
	09 96 23	Graffiti Resistant Coatings	
Specialties			$ 502,389
	10 14 19	Dimensional Letter Signage	
	10 14 70	Environmental Graphics	
	10 21 13	Toilet Compartments	
	10 31 00	Manufactured Fireplaces	
	10 41 00	Emergency Access and Information Cabinets	
	10 51 29	Phenolic Lockers	
Equipment			$ 680,944
	11 31 00	Residential Appliances	
	11 40 00	Food Service Equipment	
	11 66 23	Gymnasium Equipment	
	11 66 43	Scoreboards	
Furnishings			$ 350,917
	12 24 00	Window Shades	
	12 36 00	Countertops and Horizontal Surfaces	
Special Construction			$ 3,623,391
	13 11 00	Swimming Pool General Requirements	
	13 11 01	Swimming Pool Excavation	

	13 11 02	Swimming Pool Concrete	
	13 11 03	Swimming Pool Shotcrete	
	13 11 04	Swimming Pool Ceramic Tile	
	13 11 05	Swimming Pool Plaster	
	13 11 06	Swimming Pool Equipment	
	13 11 07	Swimming Pool Mechanical	
	13 11 08	Swimming Pool Electrical	
Conveying Equipment			$ 153,397
	14 24 00	Hydraulic Elevators	
Fire Suppression			$ 399,800
	21 00 50	Basic Fire Sprinkler Materials and Methods	
	21 10 00	Fire Sprinkler Systems	
Plumbing & HVAC			$ 8,835,743
	Div 22	Plumbing	
	Div 23	HVAC	
Electrical			$ 5,588,034
	Div 26	Electrical	
	Div 27	Communications	
	Div 28	Electronic Safety and Security	
		Sub-Total	$ 63,151,977
		Overhead & Profit	$ 2,815,651
		Payment & Performance Bond	$ 517,662
		Insurance	$ 840,710
		Owner Allowance - Heavy Snow Removal	$ 200,000.00
		Total Bid Amount	$ 67,526,000

END OF SECTION

SECTION 00 43 13

BID SECURITY FORMS

PART 1 - GENERAL

1.1 BID FORM SUPPLEMENT

A. A completed bid bond form is required to be attached to the Bid Form.

1.2 BID BOND FORM – INCLUDED BY REFERENCE

A. AIA Document A310-2010 "Bid Bond" is the recommended form for a bid bond. A bid bond acceptable to Owner, or other bid security as described in the Instructions to Bidders, is required to be attached to the Bid Form as a supplement.

B. Copies of AIA standard forms may be obtained from The American Institute of Architects; https://www.aiacontracts.org/; email: docspurchases@aia.org; (800) 942-7732.

C. Bidder is advised to obtain a copy of this document and become familiar with its requirements prior to submitting bid.

END OF SECTION

BID BOND

KNOW ALL MEN BY THESE PRESENTS that we, Western Surety Company, as Surety and Roebbelen Contracting, Inc., as Principal, are jointly and severally, along with their respective heirs, executors, administrators, successors and assigns, held and firmly bound unto **the City of South Lake Tahoe** ("the Obligee") for payment of the penal sum hereof in lawful money of the United States, as more particularly set forth herein.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the Principal has submitted the accompanying Bid Proposal to the Obligee for the Work commonly described as the **City of South Lake Tahoe Recreation and Aquatics Center.**.

WHEREAS, subject to the terms of this Bond, the Surety and the Principal are jointly and severally firmly bound unto the Obligee in the penal sum equal to Ten Percent (10%) of the maximum amount of the Bid Proposal submitted by the Principal to the Obligee, inclusive of amounts proposed for Alternate Bid Items, if any.

NOW THEREFORE, if the Principal shall not withdraw said Bid Proposal within the period specified therein after the opening of the same, or, if no period be specified, for sixty (60) days after opening of said Bid Proposal; and if the Principal is awarded the Contract, and shall within the period specified therefore, or if no period be specified, within five (5) calendar days after the prescribed forms are presented to him for signature, enter into a written contract with the Obligee, in accordance with the Bid Proposal as accepted and give such bond(s) with good and sufficient surety or sureties, as may be required, for the faithful performance and proper fulfillment of such Contract and for the payment for labor and materials used for the performance of the Contract, or in the event of the withdrawal of said Bid Proposal within the period specified for the holding open of the Bid Proposal or the failure of the Principal to enter into such Contract and give such bonds within the time specified, if the Principal shall pay the Obligee the difference between the amount specified in said Bid Proposal and the amount for which the Obligee may procure the required Work and/or supplies, if the latter amount be in excess of the former, together with all costs incurred by the Obligee in again calling for Bids, then the above obligation shall be void and of no effect, otherwise to remain in full force and effect.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or the Call for Bids, the Work to be performed there under, the Drawings or the Specifications accompanying the same, or any other portion of the Contract Documents shall in no way affect its obligations under this Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said Contract, the Call for Bids, the Work, the Drawings or the Specifications, or any other portion of the Contract Documents.

In the event suit or other proceeding is brought upon this Bond by the Obligee, the Surety and Principal shall be jointly and severally liable for payment to the Obligee all costs, expenses and fees incurred

[CONTINUED NEXT PAGE]

by the Obligee in connection therewith, including without limitation, attorneys' fees.

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument this 7th day of June, 2023 by their duly authorized agents or representatives.

Roebbelen Contracting, Inc.
(Bidder-Principal Name)

By: _____

ROEBBELEN CONTRACTING, INC. CORPORATE SEAL 3/14/1997 CALIFORNIA

Western Surety Company
(Surety Name)

By: _____
Nerissa S. Bartolome, Attorney-in-Fact

Contact name, address, telephone number and email address for notices to the Surety

Western Surety Company - Sean Xavier
(Contact Name)

555 Mission Street, Suite 200
(Street Address)

San Francisco, CA 94105
(City, State & Zip Code)

(415) 932-7500 (415) 932-7185
Telephone Fax

sean.xavier@cnasurety.com
(Email address)

END OF SECTION

ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this Certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of El Dorado } SS.

On June 22, 2023 (DATE), before me, Jazmyn deCordova, Notary Public,

personally appeared Robert J. Kjome, who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

JAZMYN DE CORDOVA
COMM. # 2414225
NOTARY PUBLIC - CALIFORNIA
EL DORADO COUNTY
MY COMM. EXP. SEP. 18, 2026

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

WITNESS my hand and official seal.

NOTARY'S SIGNATURE

PLACE NOTARY SEAL IN ABOVE SPACE

OPTIONAL INFORMATION

The information below is optional. However, it may prove valuable and could prevent fraudulent attachment of this form to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- ☐ INDIVIDUAL
- ☐ CORPORATE OFFICER _____ TITLE(S)
- ☐ PARTNER(S)
- ☐ ATTORNEY-IN-FACT
- ☐ GUARDIAN/CONSERVATOR
- ☐ SUBSCRIBING WITNESS
- ☐ OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

OTHER

SIGNER (PRINCIPAL) IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT OF SIGNER

Top of thumbprint here

NOTARY BONDS, SUPPLIES AND FORMS AT HTTP://WWW.VALLEY-SIERRA.COM © 2005-2015 VALLEY-SIERRA INSURANCE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Francisco)

On 06/07/2023 before me, Rossio Daniela Polio Canas, Notary Public----------,
Date *Here Insert Name and Title of the Officer*

personally appeared Nerissa S. Bartolome----------
Name(s) of Signer(s)

---

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(ies), and that by ~~his~~/her/~~their~~ signature(s) on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

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

WITNESS my hand and official seal.

ROSSIO DANIELA POLIO CANAS
Notary Public - California
San Francisco County
Commission # 2440951
My Comm. Expires Mar 9, 2027

Signature _____
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☒ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: Nerissa S. Bartolome

~~Signer's Name: _____~~
~~☐ Corporate Officer — Title(s): _____~~
~~☐ Partner — ☐ Limited ☐ General~~
~~☐ Individual ☐ Attorney in Fact~~
~~☐ Trustee ☐ Guardian or Conservator~~
~~☐ Other: _____~~
~~Signer Is Representing: _____~~

©2014 National Notary Association • www.NationalNotary.org • 1-800-US NOTARY (1-800-876-6827) Item #5907

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Charles R Shoemaker, Kelly Holtemann, Mark M Munekawa, Nerissa S Bartolome, Joan DeLuca, Yvonne Roncagliolo, Thomas E Hughes, Patrick R Diebel, Alicia Dass, Karen Rhodes, Valerie Takeuchi, Christina Parsons, Zachary V Overbay, Andrew S Holloway, Rossio Polio, Individually

of San Francisco, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 28th day of December, 2022.

WESTERN SURETY COMPANY

Paul T. Bruflat, Vice President

State of South Dakota
County of Minnehaha } ss

On this 28th day of December, 2022, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires
March 2, 2026

M. BENT
NOTARY PUBLIC
SOUTH DAKOTA

M. Bent, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this **7th** day of **June, 2023**

WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

Form F4280-7-2012

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

SECTION 00 43 23
ALTERNATES FORM

PART 1 - GENERAL

1.1 BID INFORMATION

A. Bidder: Roebbelen Contracting, Inc.

B. Prime Contract: Roebbelen Contracting Inc.

C. Project Name: City of South Lake Tahoe Recreation and Aquatics Center

D. Project Location: 1150 Rufus Allen Boulevard, South Lake Tahoe, CA 96150

E. Owner: City of South Lake Tahoe

F. Owner Project Number: 15-30160018-BN2

G. Architect: JK Architecture Engineering

H. Architect Project Number:

I. Construction Manager: SierraCon/CORE

1.2 BID FORM SUPPLEMENT

A. This form is required to be attached to the Bid Form.

1.3 DESCRIPTION

A. The undersigned Bidder proposes the amount below be added to or deducted from the Base Bid if particular alternates are accepted by Owner. Amounts listed for each alternate include costs of related coordination, modification, or adjustment.

1. Cost-Plus-Fee Contract: Alternate price given below includes adjustment to Contractor's Fee.

B. If the alternate does not affect the Contract Sum, the Bidder shall indicate "NO CHANGE."

C. If the alternate does not affect the Work of this Contract, the Bidder shall indicate "NOT APPLICABLE."

D. The Bidder shall be responsible for determining from the Contract Documents the affects of each alternate on the Contract Time and the Contract Sum.

E. Owner reserves the right to accept or reject any alternate, in any order, and to award or amend the Contract accordingly.

F. Acceptance or non-acceptance of any alternates by the Owner shall have no affect on the Contract Time unless the "Schedule of Alternates" Article below provides a formatted space for the adjustment of the Contract Time.

1.4 SCHEDULE OF ALTERNATES

A. Alternate No. 1 : Gymnasium Floor Staining – Per Alternate Description on Drawings:

1. ADD X DEDUCT____ NO CHANGE____ NOT APPLICABLE____.

2. ten thousand eight hundred forty five Dollars ($ 10,845.00).

3. ADD 0 DEDUCT 0 calendar days to adjust the Contract Time for this alternate.

B. Alternate No. 2 : Gym Equipment, Backstop – Per Alternate Description on Drawings

Included in the Base Bid – Backstop supports, electrical conduit and boxes with pull string, blank cover plates.
Alternate – Basketball backstops, associated pipe supports, wall pads, striping for cross-courts. Wiring, switching and motors.

1. ADD X DEDUCT____ NO CHANGE____ NOT APPLICABLE____.
2. one hundred thirty two thousand five hundred Dollars ($ 132,500.00).
3. ADD 0 DEDUCT 0 calendar days to adjust the Contract Time for this alternate.

C. Alternate No. 3 : HVL Fans – Add two (2) to Gymnasium

Included in the Base Bid – Fan structural supports, electrical conduit and boxes with pull string, blank cover plates.

Alternate – Mechanical fans, controls, wiring, and switching.

1. ADD X DEDUCT____ NO CHANGE____ NOT APPLICABLE____.
2. fifty five thousand four hundred Dollars ($ ~~49,700.00~~ 55,400.00). RK
3. ADD 0 DEDUCT 0 calendar days to adjust the Contract Time for this alternate.

D. Alternate No. 4 : Paging Capabilities – Whole Facility:

1. ADD X DEDUCT____ NO CHANGE____ NOT APPLICABLE____.
2. one hundred fifty six thousand two hundred Dollars ($ 156,200.00).
3. ADD 0 DEDUCT 0 calendar days to adjust the Contract Time for this alternate.

E. Alternate No. 5 : Card Readers and Associated Hardware.

1. ADD X DEDUCT____ NO CHANGE____ NOT APPLICABLE____.
2. one hundred thirty seven thousand one hundred Dollars ($ 137,100.00).
3. ADD 0 DEDUCT 0 calendar days to adjust the Contract Time for this alternate.

F. Alternate No. 6 : Spray-On Fireproofing at Gym Trusses

1. ADD____ DEDUCT X NO CHANGE____ NOT APPLICABLE____
2. one hundred eighty one thousand forty seven ~~two hundred fifty four thousand four hundred eleven~~ RK Dollars ($ ~~254,411.00~~ 181,047). RK
3. ADD 0 DEDUCT 0 calendar days to adjust the Contract Time for this alternate.

G. Alternate No. 7 : Provide Integral Xypex Waterproofing Admixture at the Pool Deck Topping Slab in Natatorium.

1. **ADD** X **DEDUCT**____ **NO CHANGE**____ **NOT APPLICABLE**____.
2. fourteen thousand ninety nine **Dollars ($** 14,099.00 **).**
3. **ADD** 0 **DEDUCT** 0 **calendar days to adjust the Contract Time for this alternate.**

1.5 SUBMISSION OF BID SUPPLEMENT

A. Respectfully submitted this 27 day of June, 2023.

B. Submitted By: Roebbelen Contracting, Inc. (Insert name of bidding firm or corporation).

C. Authorized Signature: (Handwritten signature).

D. Signed By: Robert J. Kjome (Type or print name).

E. Title: Executive Vice President (Owner/Partner/President/Vice President).

ROEBBELEN CONTRACTING, INC. CORPORATE SEAL 3/14/1997 CALIFORNIA

END OF SECTION

SUBCONTRACTOR LIST – 1/2 of 1% of CONTRACT

Project ("the Work")	**City of South Lake Tahoe Recreation and Aquatics Center**
Bidder Name	Roebbelen Contracting, Inc.
Bidder's Representative Signature	(Signature) Robert J. Kjome, Executive VP (Typed or Printed Name)

ROEBBELEN CONTRACTING, INC. CORPORATE SEAL 3/14/1997 CALIFORNIA

Licensed Name of Subcontractor	Address of Office, Mill or Shop	Contractors' License Number	Trade or Portion of Work	DIR Registration Number
Camelia Steel	Roseville, CA	2155339	Rebar	1000003852
Clark Pacific	West Sacramento, CA	690453	Precast	1000004366
~~BTS~~ PTS Masonry RK	Sacramento, CA	~~0034~~ RK 704533	CMU	1000000391

Licensed Name of Subcontractor	Address of Office, Mill or Shop	Contractors' License Number	Trade or Portion of Work	DIR Registration Number
Performance Contracting	North Highlands, CA	474795	Acoustical	1000004922
Proflooring	Monte Rose, CA	~~102754~~ 1027154 RK	Flooring	1000050599
TSV	Sacramento, CA	392444	Painting	1000001903 RK
East Bay	Sacramento, CA	278101	Food Service Equipment	1000003464

[DUPLICATE THIS FORM FOR ADDITIONAL SUBCONTRACTORS]

Reviewed for Code Compliance
Job Copies shall be kept at the site of work and shall be open to inspection by the building official or a duly authorized representative.
Permit # Plan's Examined Date

Licensed Name of Subcontractor	Address of Office, Mill or Shop	Contractors' License Number	Trade or Portion of Work	DIR Registration Number
Golden State	Fowler, CA	383036	Structural steel	1000007962
Anning Johnson	Hayward, CA	652825	Metal Deck	1000000625
NWD Inc.	Grants Pass, OR	517728	Case work	1000004417
Coast building Products	Sparks, NV	465440	installation	1000650447

[DUPLICATE THIS FORM FOR ADDITIONAL SUBCONTRACTORS]

Licensed Name of Subcontractor	Address of Office, Mill or Shop	Contractors' License Number	Trade or Portion of Work	DIR Registration Number
			~~Fluid Applied~~ RK ~~AV barrier~~	10000
			~~Metal Wall Panels~~ RK	10000
RSM	Rocklin, CA	816570	Roofing + siding	1000002506
~~Freas Plastering~~	~~Concord, CA~~	~~602414~~	~~Fireproofing~~	~~1000005281~~ RK
~~Bay Cities~~ Alcal	~~Murphies,~~ Sacramento, CA	~~772631~~ 815286	~~Fireproofing~~ Fireproofing	~~1000011445~~ RK 1000 00315

[DUPLICATE THIS FORM FOR ADDITIONAL SUBCONTRACTORS]

Licensed Name of Subcontractor	Address of Office, Mill or Shop	Contractors' License Number	Trade or Portion of Work	DIR Registration Number
US Glass	Sacramento, CA	847943	Glass & Glazing	1000019856
PCI	North Highlands	474795	Drywall & Metal Framing	1000004922
			~~Interior Acrylic Plastering~~	~~RK~~ 10000
NCTS	Sacramento, CA	938930	Tile	1000002421

[DUPLICATE THIS FORM FOR ADDITIONAL SUBCONTRACTORS]

Licensed Name of Subcontractor	Address of Office, Mill or Shop	Contractors' License Number	Trade or Portion of Work	DIR Registration Number
Performance Contracting	North Highlands, CA	474795	Acoustical	1000004922
Proflooring	Monte Rose, CA	102754	Flooring	1000050599
TSV	Sacramento, CA	392444	Painting	1000001903
East Bay	Sacramento, CA	278101	Food Service Equipment	1000003464

[DUPLICATE THIS FORM FOR ADDITIONAL SUBCONTRACTORS]

Licensed Name of Subcontractor	Address of Office, Mill or Shop	Contractors' License Number	Trade or Portion of Work	DIR Registration Number
WWF	El Dorado Hills, CA	710366	Pool	1000001886
High Sierra	Carson City, NV	1064746	Fire Sprinklers	1000578379
M3 Mep	Sacramento, CA	1098716	Plumbing	1000990336
Div 15	Sacramento, CA	828203	HVAC	1000009841

[DUPLICATE THIS FORM FOR ADDITIONAL SUBCONTRACTORS]

Licensed Name of Subcontractor	Address of Office, Mill or Shop	Contractors' License Number	Trade or Portion of Work	DIR Registration Number
Berg Electric	Carlsbad, CA	85046	Electrical	10000 00328
Marina	Lathrop, CA	492862	~~Sitework~~ RX landscaping	1000000079
Weber	Dixon, CA	996 118	Sitework	1000003439
				10000

[DUPLICATE THIS FORM FOR ADDITIONAL SUBCONTRACTORS]

Licensed Name of Subcontractor	Address of Office, Mill or Shop	Contractors' License Number	Trade or Portion of Work	DIR Registration Number
				10000
				10000
				10000
				10000

[DUPLICATE THIS FORM FOR ADDITIONAL SUBCONTRACTORS]

Licensed Name of Subcontractor	Address of Office, Mill or Shop	Contractors' License Number	Trade or Portion of Work	DIR Registration Number
				10000
				10000
				10000
				10000

[DUPLICATE THIS FORM FOR ADDITIONAL SUBCONTRACTORS]

Licensed Name of Subcontractor	Address of Office, Mill or Shop	Contractors' License Number	Trade or Portion of Work	DIR Registration Number
				10000
				10000
				10000
				10000

[DUPLICATE THIS FORM FOR ADDITIONAL SUBCONTRACTORS]

[THIS PAGE INTENTIONALLY BLANK]

END OF SECTION

SECTION 00 43 73

PROPOSED SCHEDULE OF VALUES FORM

PART 1 - GENERAL

1.1 BID FORM SUPPLEMENT

A. A completed Proposed Schedule of Values form is required to be attached to the Bid Form.

1.2 PROPOSED SCHEDULE OF VALUES FORMS

A. Proposed Schedule of Values Form: Provide a breakdown of the bid amount within 7 days of Notice of Award. Coordinate with the Project Manual table of contents. Provide multiple line items for principal material and subcontract amounts in excess of one half of one percent (½%) of the Contract Sum. Contractor shall provide escrow documents for all of the above listed on the schedule of values in sealed form substantiating all bid costs for labor, material, equipment, overhead and profit within 7 days of award.

B. Contractor shall provide a listing of self performed work and value.

C. Arrange schedule of values using AIA Document G703-1992

1. Copies of AIA standard forms may be obtained from the American Institute of Architects; https://www.aiacontracts.org/ library; (800) 942-7732.

END OF SECTION

VERIFICATION OF CONTRACTOR AND SUBCONTRACTOR'S DIR REGISTRATION

I am the Executive Vice President of Roebbelen Contracting, Inc. ("Bidder")
(Title/Position) (Bidder Name)
submitting the accompanying Bid Proposal for the Work described as **City of South Lake Tahoe Recreation and Aquatics Center.**

1. The Bidder is currently registered as a contractor with the Department of Industrial Relations ("DIR").
2. The Bidder's DIR Registration Number is: 1000001469. The expiration date of the Bidder's DIR Registration is June 30, 20 25.
3. If the expiration date of the Bidder's DIR Registration will occur prior to expiration of the Contract Time for the Work and the Bidder is awarded the Contract for the Work, prior to the Bidder's DIR Registration expiration, the Bidder will take all measures necessary to renew the Bidder's DIR Registration so that there is no lapse in the Bidder's DIR Registration.
4. The Bidder has independently verified that each Subcontractor identified in the Subcontractors List is a DIR registered contractor.
5. The Bidder, if awarded the Contract for the Work will remain a DIR registered contractor for the entire duration of the Work.
6. The Bidder's solicitation of Subcontractor bids included notice to prospective Subcontractors that: (i) all sub-tier subcontractors must be DIR registered contractors at all times during performance of the Work; and (ii) prospective subcontractors may only solicit sub-bids from and contract with lower-tier subcontractors who are DIR registered contractors.
7. If any of the statements herein are false or omit material facts rendering a statement to be false or misleading, the Bidder's Bid Proposal is subject to rejection for non-responsiveness.
8. I have personal first-hand knowledge of all of the foregoing.

I declare under penalty of perjury under California law that the foregoing is true and correct.

Executed this 22 day of June, 20 23 at El Dorado Hills, CA.
(City and State)

(Signature)

Robert J. Kjome, Executive Vice President
(Name, typed or printed)

ROEBBELEN CONTRACTING, INC. CORPORATE SEAL 3/14/1997 CALIFORNIA

END OF SECTION

NON-COLLUSION AFFIDAVIT

STATE OF CALIFORNIA
COUNTY OF El DORADO)

PROJECT: **City of South Lake Tahoe Recreation and Aquatics Center**

I, Robert J. Kjome, being first duly sworn, deposes and says that I am the
(Typed or Printed Name)

Executive Vice President of Roebbelen Contracting, Inc., the party submitting the
(Title) (Bidder Name)

foregoing Bid Proposal ("the Bidder"). In connection with the foregoing Bid Proposal, the undersigned declares, states and certifies that:

1. The Bid Proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization or corporation.
2. The Bid Proposal is genuine and not collusive or sham.
3. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any other bidder or anyone else to put in sham bid, or to refrain from bidding.
4. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price, or that of any other bidder, or to fix any overhead, profit or cost element of the bid price or that of any other bidder, or to secure any advantage against the public body awarding the contract or of anyone interested in the proposed contract.
5. All statements contained in the Bid Proposal and related documents are true.
6. The bidder has not, directly or indirectly, submitted the bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any person, corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Executed this 22 day of June 20 23 at El Dorado Hills, El Dorado County, CA
(City, County and State)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated June 22, 2023

By: _____
(Signature of Bidder's Authorized Officer or Representative)

Robert J. Kjome, Executive Vice President
(Typed or Printed Name)

ROEBBELEN CONTRACTING, INC. CORPORATE SEAL 3/14/1997 CALIFORNIA

END OF SECTION

ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this Certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of El Dorado } SS.

On June 22, 2023 (DATE), before me, Jazmyn deCordova, Notary Public,

personally appeared Robert J. Kjome, who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

JAZMYN DE CORDOVA
COMM. # 2414225
NOTARY PUBLIC - CALIFORNIA
EL DORADO COUNTY
MY COMM. EXP. SEP. 18, 2026

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

WITNESS my hand and official seal.

NOTARY'S SIGNATURE

PLACE NOTARY SEAL IN ABOVE SPACE

OPTIONAL INFORMATION

The information below is optional. However, it may prove valuable and could prevent fraudulent attachment of this form to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- ☐ INDIVIDUAL
- ☐ CORPORATE OFFICER _____ TITLE(S)
- ☐ PARTNER(S)
- ☐ ATTORNEY-IN-FACT
- ☐ GUARDIAN/CONSERVATOR
- ☐ SUBSCRIBING WITNESS
- ☐ OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

OTHER

SIGNER (PRINCIPAL) IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT OF SIGNER

Top of thumbprint here

NOTARY BONDS, SUPPLIES AND FORMS AT HTTP://WWW.VALLEY-SIERRA.COM © 2005-2015 VALLEY-SIERRA INSURANCE

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

I, Robert J. Kjome (Name) the Executive Vice President (Title) of Roebbelen Contracting, Inc. (Contractor Name), declare, state and certify that:

1. I am aware that California Labor Code §3700(a) and (b) provides:

   "Every employer except the state shall secure the payment of compensation in one or more of the following ways:

   (a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this state.

   (b) By securing from the Director of Industrial Relations a certificate of consent to self-insure either as an individual employer, or one employer in a group of employers, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his or her employees."

2. I am aware that the provisions of California Labor Code §3700 require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of this Contract.

3. I am authorized to execute this Certificate of Workers' Compensation Insurance on behalf of the above-identified Contractor.

By: _____
(Signature of Bidder's Authorized Officer or Representative)

Robert J. Kjome
(Typed or Printed Name)

Title: Executive Vice President

ROEBBELEN CONTRACTING, INC. CORPORATE SEAL 3/14/1997 CALIFORNIA

END OF SECTION

DRUG-FREE WORKPLACE CERTIFICATION

I, Robert J. Kjome, am the Executive Vice President of
(Print Name) (Title)

Roebbelen Contracting, Inc.
(Contractor Name)

I declare, state and certify to all of the following:

1. I am aware of the provisions and requirements of California Government Code §§8350 et seq., the Drug Free Workplace Act of 1990.

2. I am authorized to certify, and do certify, on behalf of Contractor that a drug free workplace will be provided by Contractor by doing all of the following:
   2.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in Contractor's workplace and specifying actions which will be taken against employees for violation of the prohibition.
   2.2. Establishing a drug-free awareness program to inform employees about all of the following: (i) the dangers of drug abuse in the workplace; (ii) Contractor's policy of maintaining a drug-free workplace; (iii) the availability of drug counseling, rehabilitation and employee-assistance programs; and (iv) the penalties that may be imposed upon employees for drug abuse violations.
   2.3. Requiring that each employee engaged in the performance of the Contract be given a copy of the statement required by Paragraph 2.1 above, and that as a condition of employment by Contractor in connection with the Work of the Contract, the employee agrees to abide by the terms of the statement.

3. Contractor agrees to fulfill and discharge all of Contractor's obligations under the terms and requirements of California Government Code §8355 by, inter alia, publishing a statement notifying employees concerning: (i) the prohibition of any controlled substance in the workplace, (ii) establishing a drug-free awareness program, and (iii) requiring that each employee engaged in the performance of the Work of the Contract be given a copy of the statement required by California Government Code §8355(a) and requiring that the employee agree to abide by the terms of that statement.

4. Contractor and I understand that if the City determines that Contractor has either: (i) made a false certification herein, or (ii) violated this certification by failing to carry out and to implement the requirements of California Government Code §8355, the Contract awarded herein is subject to termination, suspension of payments, or both. Contractor and I further understand that, should Contractor violate the terms of the Drug-Free Workplace Act of 1990, Contractor may be subject to debarment in accordance with the provisions of California Government Code §§8350, et seq.

5. Contractor and I acknowledge that Contractor and I are aware of the provisions of California Government Code §§8350, et seq. and hereby certify that Contractor and I will adhere to, fulfill, satisfy and discharge all provisions of and obligations under the Drug-Free Workplace Act of 1990.

I declare under penalty of perjury under the laws of the State of California that all of the foregoing is true and correct. Executed this 22 day of June 2023 at El Dorado Hills, CA
(City and State)

By: _____
(Signature of Bidder's Authorized Officer or Representative)

Robert J. Kjome
(Typed or Printed Name)

Title: Executive Vice President

ROEBBELEN CONTRACTING, INC. CORPORATE SEAL 3/14/1997 CALIFORNIA

END OF SECTION

South Lake Tahoe Multi-Generational Recreation and Aquatic Center

City Council Meeting

August 8, 2023

Project Timeline

1975

- Existing Recreation Center was built (48 years ago).

2010

- DPW reported to the City Council on agency facility conditions.

2014

- City Council adopts Parks, Trails, and Recreation Master Plan. Specifically, the Master Plan states: "***Renovate and modernize the Recreation & Swim Complex to provide a state-of-the-art multipurpose, multi-generational recreation, aquatic, senior and visitor center.***"

2015

- City Council appropriated funding for preliminary concepts. City Council proposed a City Transient Occupancy Tax (Measure P) to fund the project.

November 2016

- Measure P was passed by voters

Project Timeline

2015–2016

Public meetings were held to receive public input and develop project concepts.

2017

DPW contracted with SKD of Denver to begin the design process.

2019

DPW contracted with Perkins & Will to perform conditions assessment and alternative analysis.

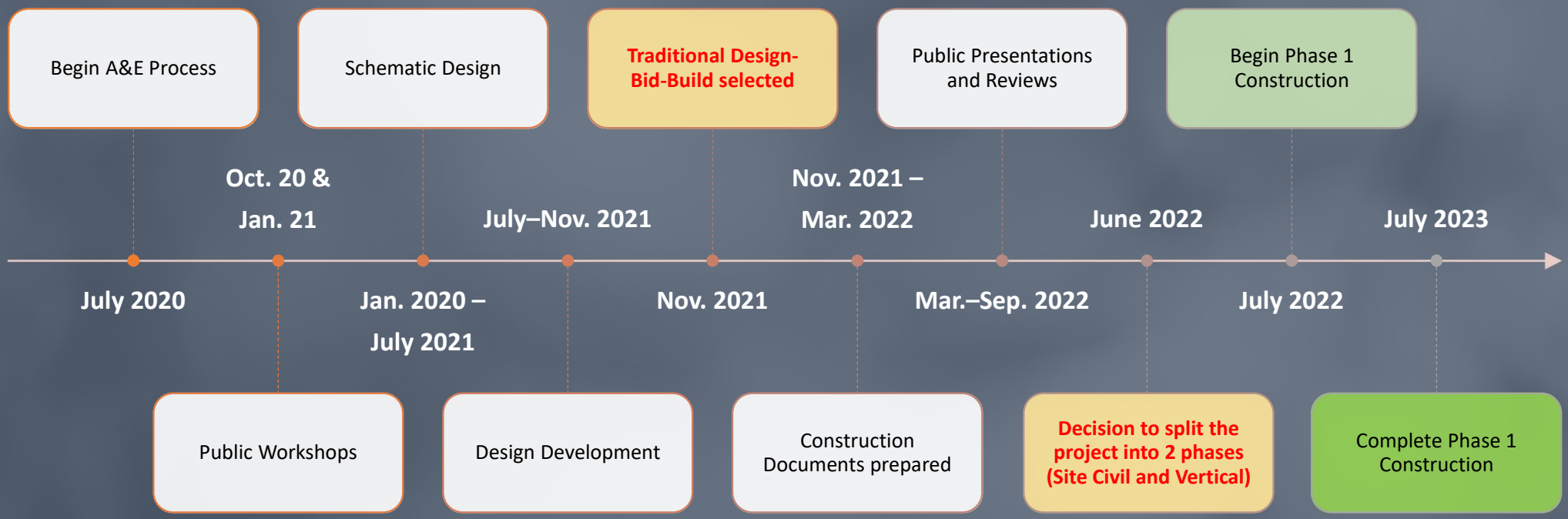
2020

City Council and County BOS adopted resolutions to construct a new Recreation Center. DPW reported to the City Council on agency facility conditions.

July 2020

DPW contracted with JK-Architecture of Tahoe City for A&E design for the new Recreation and Aquatic Center.

Design and Implementation Decisions



Design and Implementation Challenges

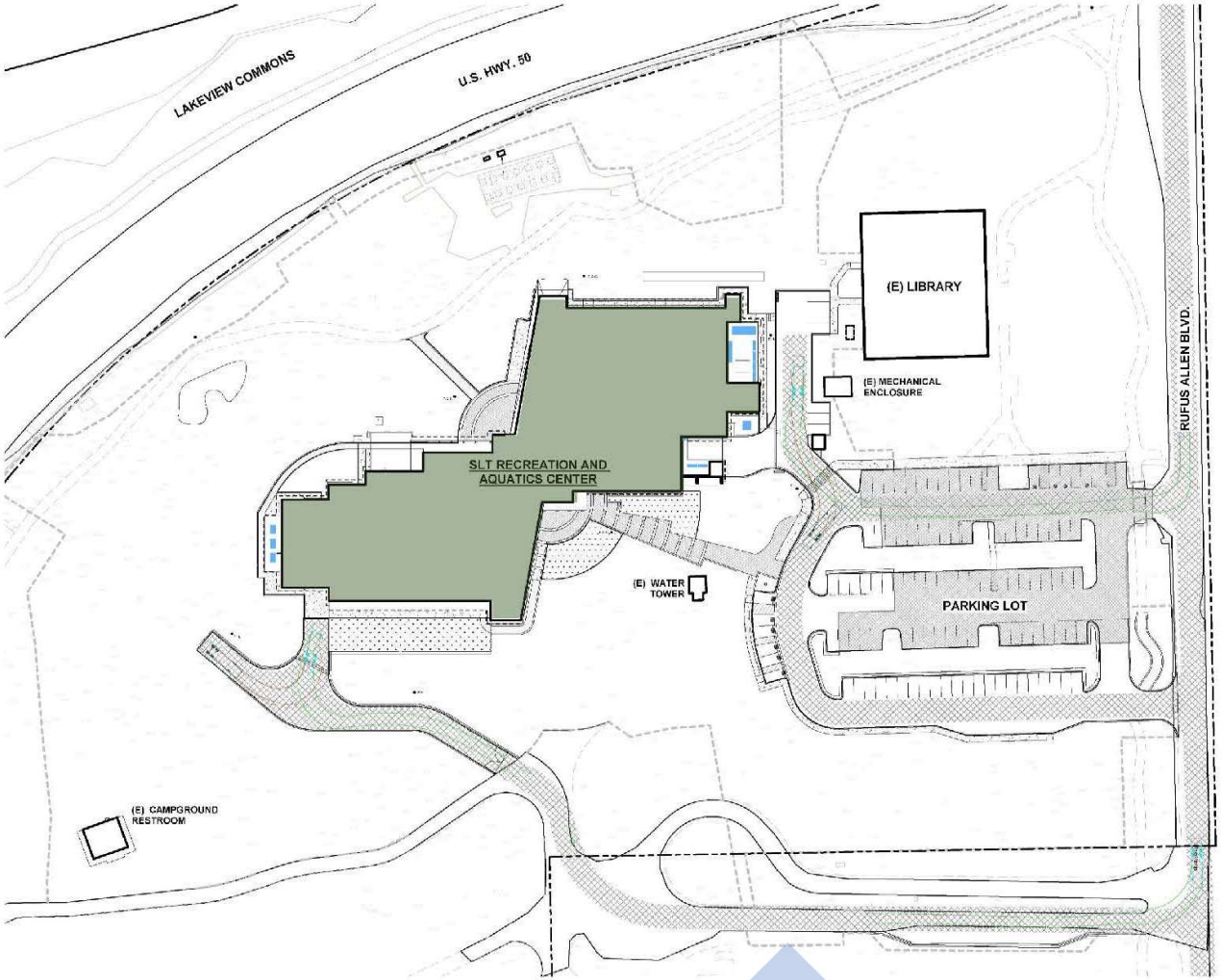
Design-Build vs. Design-Bid-Build

- There are advantages/disadvantages and risks with either option
- City recently adopted a D-B ordinance that would give more flexibility and options to use alternative delivery methods
- Design-Bid-Build traditionally provides more control by the owner for complex projects, where public input and decisions are required
- D-B provides more flexibility on schedule and cost caps

Two-Phased Implementation

- The goal was to split the project into 2-phases to reduce risks related to underground work and accelerate construction work.
- The city issued request for bids for the second phase on October 22, 2022. Two bids were received, and City Council rejected both bids on November 15, 2022.
- The vertical construction delay has resulted in 6 months to 1-year delay in project construction.
- However, the current bid is more favorable from a cost perspective than the last bid results.

SITE PLAN


LAKEVIEW COMMONS
U.S. HWY. 50
(E) LIBRARY
(E) MECHANICAL ENCLOSURE
RUFUS ALLEN BLVD.
SLT RECREATION AND AQUATICS CENTER
(E) WATER TOWER
PARKING LOT
(E) CAMPGROUND RESTROOM

EXTERIOR ELEVATIONS

East Perspective

West Perspective

EXTERIOR ELEVATIONS

North Perspective

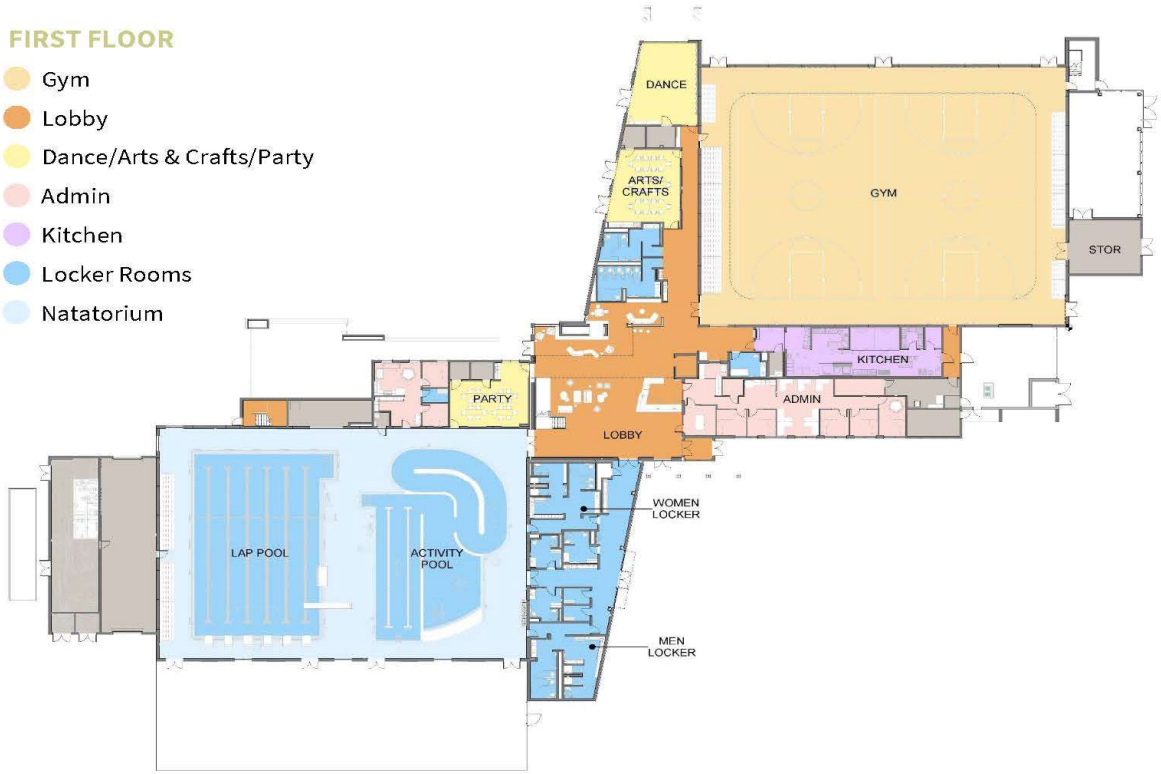
South Perspective

RENDERING | Exterior View at Entry

FLOOR PLANS

FIRST FLOOR

- Gym
- Lobby
- Dance/Arts & Crafts/Party
- Admin
- Kitchen
- Locker Rooms
- Natatorium



AQUATIC PROGRAMS

Competitive Swim
Water Volleyball
Board Yoga
Inner Tube Water Polo
Deep Water Aerobics
Kayak Classes
Special Needs
Learn to Swim
High Altitude Training
Inflatable Obstacles
Pre-school / parent play
Water Exercise
Diving / Aerial Training
Special Events
Pool Parties
Physical Therapy

FITNESS PROGRAMS

Pickleball
Jazzercise
Basketball
Zumba
Senior Exercise
Volleyball
Kiddie Kickers
Yoga
Badminton
Futsal
Martial Arts
Virtual Fitness
Personal Training
Boys & Girls Club
Trade Shows
Sports Clubs
Outdoor Fitness
(56-Acre Master Plan)

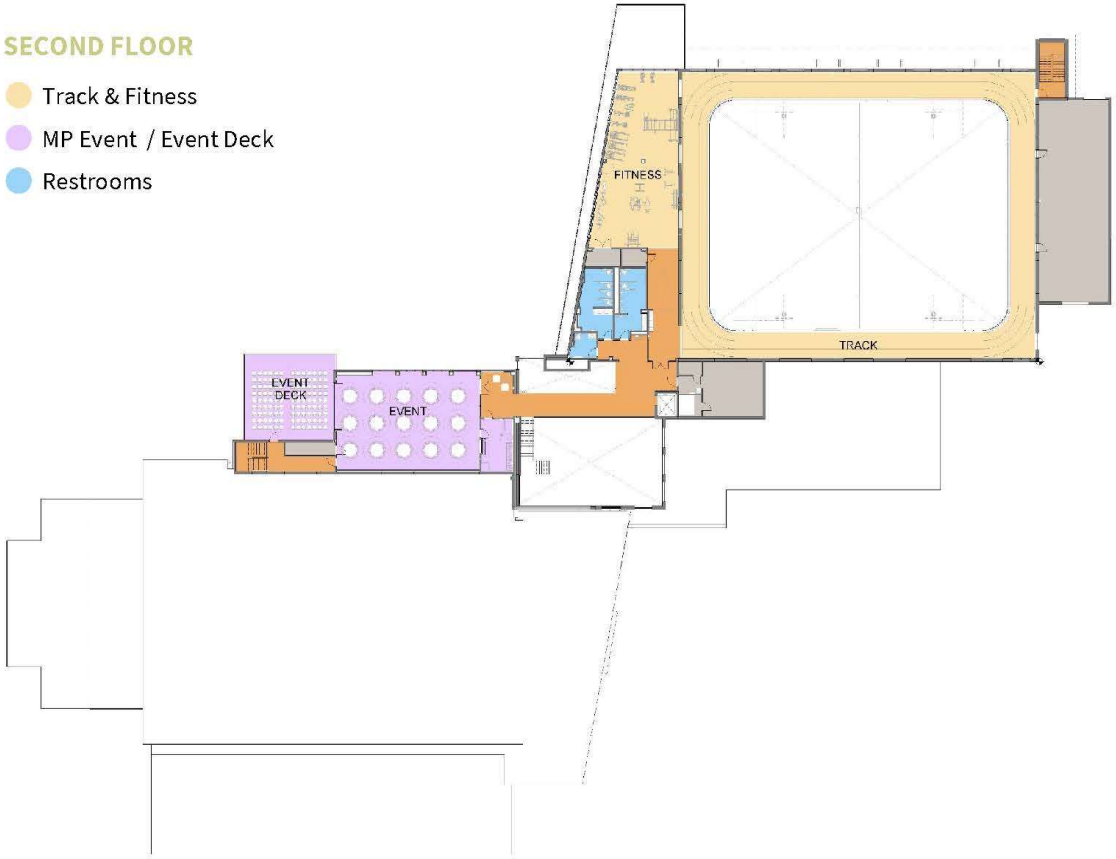
COMMUNITY PROGRAMS

Senior Nutrition
Special Events
Arts Classes
Senior Activities
Specialty Classes
Community Meetings
Boys & Girls Club
Educational Classes
Seminars
Community Rentals

FLOOR PLANS

SECOND FLOOR

- Track & Fitness
- MP Event / Event Deck
- Restrooms



AQUATIC PROGRAMS

Competitive Swim
Water Volleyball
Board Yoga
Inner Tube Water Polo
Deep Water Aerobics
Kayak Classes
Special Needs
Learn to Swim
High Altitude Training
Inflatable Obstacles
Pre-school / parent play
Water Exercise
Diving / Aerial Training
Special Events
Pool Parties
Physical Therapy

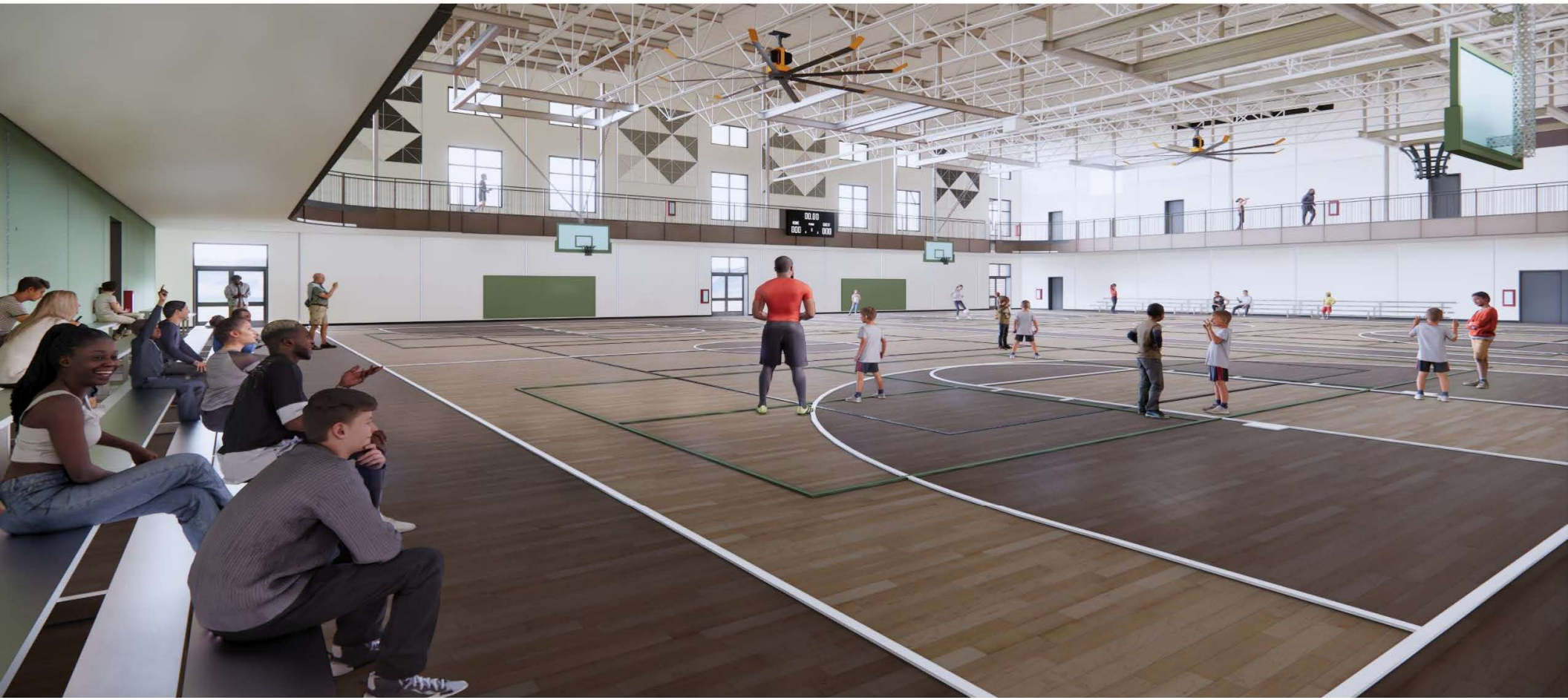
FITNESS PROGRAMS

Pickleball
Jazzercise
Basketball
Zumba
Senior Exercise
Volleyball
Kiddie Kickers
Yoga
Badminton
Futsal
Martial Arts
Virtual Fitness
Personal Training
Boys & Girls Club
Trade Shows
Sports Clubs
Outdoor Fitness
(56-Acre Master Plan)

COMMUNITY PROGRAMS

Senior Nutrition
Special Events
Arts Classes
Senior Activities
Specialty Classes
Community Meetings
Boys & Girls Club
Educational Classes
Seminars
Community Rentals

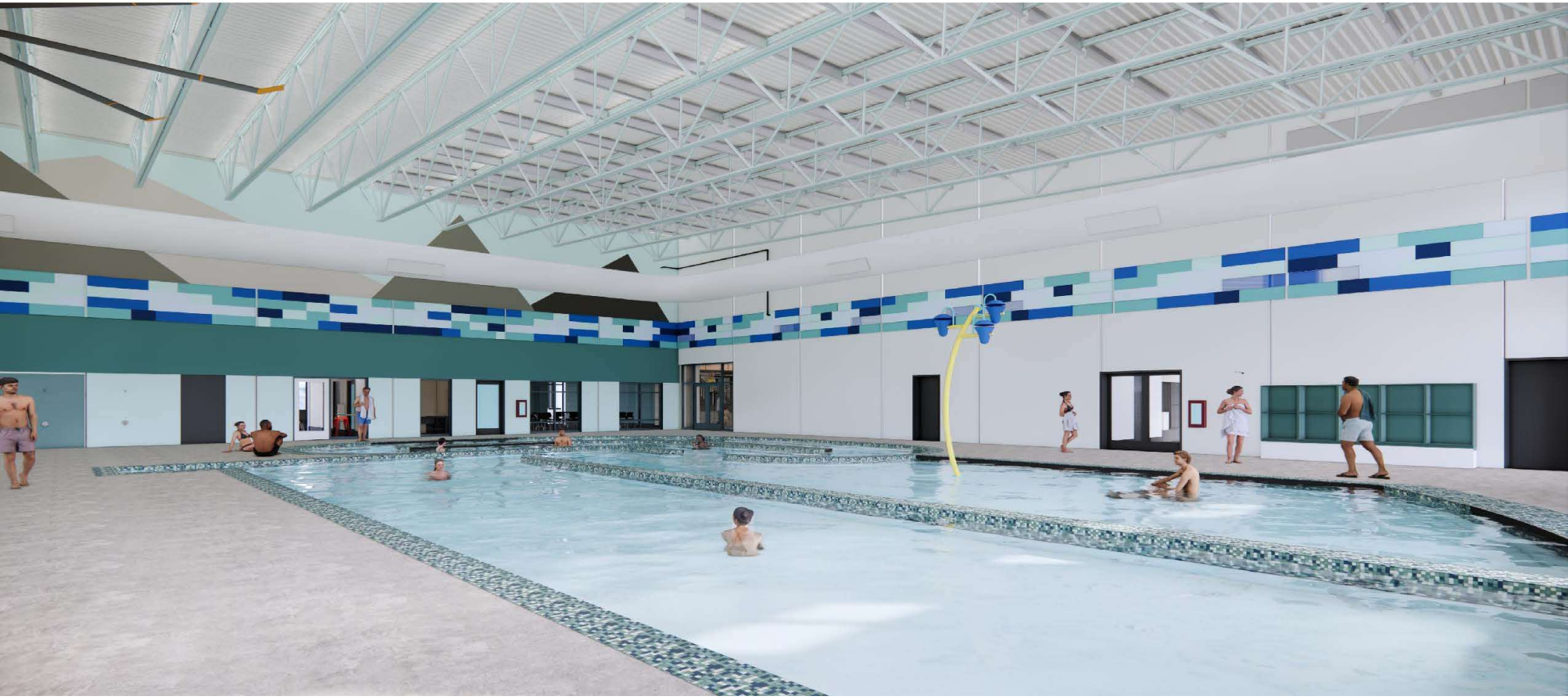
RENDERING | Gymnasium



RENDERING | Running Track / Gymnasium

RENDERING | Main Lobby

RENDERING | Natatorium



RENDERING | Event Space

Phase I – Site Work

Phase I – Site Work was awarded to Mcuen Construction on June 21, 2022

Phase I is now complete for a total cost of $3,245,771.65

Phase II: Structure and Vertical Construction

Pre-Qualification was advertised on March 24, 2023

Four Firms were pre-qualified:

- Broward Builders, Inc.
- Clark/Sullivan Construction
- Devcon Construction Inc.
- Roebbelen Contracting Inc.

Project Bid was advertised on May 16, 2023

Bids were Received on June 27, 2023

- City Received one bid from Roebbelen Construction

Bid Results

Base Bid: $67,526,000

Alternate Bids:

- Alt#1: Gymnasium Floor Staining: $10,845
- Alt#2: Gym Equipment, Backstops: $132,500
- Alt#3: HVL Fans (Add 2 to Gym): $55,400
- Alt#4: Paging Capability: $156,200
- Alt#5: Card Readers: $137,100
- Alt#6: Spray-On Fireproofing (Deduct): ($181,047)
- Alt#7: Integral Waterproofing at Pool Deck: $14,099

Total = Base + Alts = $67,851,097

Bid Comparison (Base Items)

Engineers Estimate: $68,118,148 (Sierra Con)

Roebbelen: $67,526,000

Roebbelen's bid is 1% below the Engineer's Estimate and within a reasonable range

Infrastructure Inflation Indices

Industrial Bldg. Actual Cost Index

2017	2018	2019	2020	2021	2022	2023
90.4	94.6	100.0	103.0	108.4	132.6	141.9

$50 M in 2019 equates to $71 M in 2023

Roebbelen Contracting, Inc. Background

Roebbelen has been in business since 1959

Roebbelen is a Sacramento Based Contractor

Roebbelen employs 200 or more skilled tradespeople in the field at any given time

Annual revenue is usually in excess of $300M with a large portion of our business coming from the Civic, K-12, and Corporate Contracting markets

Roebbelen is signatory to the Carpenters and Laborers unions

Roebbelen is a certified DVBE (Disable Veteran Business Enterprise)

Project Experience

Recent Projects Completed:

1. Livermore High School, Athletic Complex
2. Edison High School Multi-Phased Modernization and New Construction
3. Sutter Middle School Multi-Phased Modernization and New Construction

Key Peronnel:

Our key personnel resumes are provided after the Recent Construction Projects. Final selection of personnel will be chosen based on project award schedule.

CASE STUDY

DOUGHERTY VALLEY HIGH SCHOOL

San Ramon Valley Unified School District

Dougherty Valley High School was completed in 16 months, five months less than originally budgeted. Through careful site phasing packages, predetailing steel and construction of site utilities and infrastructure prior to building construction, we were able to complete this project five months ahead of schedule. Roebbelen managed roughly $136,000,000 worth of construction over the project duration. The project averaged roughly $8,500,000 of construction dollars put in place per month and was completed for slightly less than the anticipated $137,000,000.

- New construction
- 349,000 square feet on 54 acres
- 10 one and two-story buildings
- Dining/Cafeteria facility with seating capacity for over 400 students
- Performing arts building
- Administration Building
- Large sports complex including two pools, outdoor football stadium, two softball fields, and two baseball fields
- Project finished five months ahead of schedule

Project Experience

LIVERMORE HIGH SCHOOL, ATHLETIC COMPLEX

PROJECT NAME	
PROJECT TYPE	New Construction
LOCATION	600 Maple Street Livermore, CA 94550

OWNER INFORMATION

OWNER	Livermore Valley Unified School District
OWNER CONTACT	Kim McNeely, Bond Program Director
OWNER EMAIL	kmcneely@lvjusd.org
OWNER PHONE	(925) 690-2913

ARCHITECT INFORMATION

ARCHITECT	Harely Ellis Devereaux Architects
ARCHITECT CONTACT	Chris Ramm, Project Architect
ARCHITECT EMAIL	cramm@hed.design
ARCHITECT PHONE	(916) 508-3382

CONSTRUCTION MANAGER INFORMATION

CONSTRUCTION MANAGER	Kitchell CEM
CONSTRUCTION MANAGER CONTACT	Jonathan Lewis
CONSTRUCTION MANAGER EMAIL	jlewis @kitchell.com, mnunez@kitchell.com
CONSTRUCTION MANAGER PHONE	(408) 655-6619

PROJECT DESCRIPTION

New construction of Building C Athletic Complex, Building E Aquatic Center, 38 meter x 25 yard pool and all related site work and utilities. Demolition of five building structures including utilities, to make room for Building E and the new pool. Building C is a 49,000 SF two-story structural steel building with stucco, metal siding, and glass curtain wall exterior which includes a first floor and second floor basket ball court, concession stand, wrestling room, two adaptive PE rooms and several locker rooms. Building E is a 2,900 SF CMU building with structural steel joists with metal standing seam roof and houses all the mechanical pool equipment.

PROJECT INFORMATION

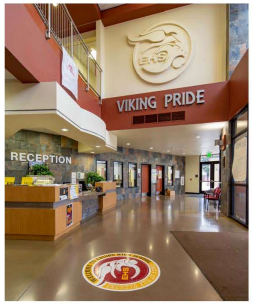
TOTAL CONSTRUCTION VALUE	$42.2 Million
ORIGINAL CONSTRUCTION VALUE	$42.2 Million
ORIGINAL SCHEDULE COMPLETION	March 2023
TIME EXTENSIONS GRANTED	None
ACTUAL COMPLETION DATE	March 2023

Roebbelen.

Project Experience

EDISON HIGH SCHOOL MULTI-PHASED MODERNIZATION AND NEW CONSTRUCTION

PROJECT TYPE	New Construction, Modernization
LOCATION	1425 South Center Street Stockton, CA 95206



OWNER INFORMATION

OWNER	Stockton Unified School District
OWNER CONTACT	Jeff Blake, Engineering Technician
OWNER EMAIL	jblack@stocktonusd.net
OWNER PHONE	(209) 470-4387

ARCHITECT INFORMATION

ARCHITECT	Architechnica
ARCHITECT CONTACT	Robert Machado
ARCHITECT EMAIL	bob@architechnica.net
ARCHITECT PHONE	(209) 952-5850

PROJECT DESCRIPTION

Phase. 1: Campus-wide electrical infrastructure to accommodate subsequent phases of construction.

Phase 2: Renovation and expansion consisting of renovation and expansion of existing Taggart Gym.

Phase 3: Transformation of an existing grass courtyard into a new 16,000 SF technology building, which houses classrooms and technical laboratories.

Phase 4: New 41,000 SF two-story Administration/Cafeteria/Kitchen (ACK) facility featuring administrative offices, conference rooms, staff lounge/lunch room, student cafeteria, extensive commercial kitchen, and student and staff restrooms. Outside is a covered dining area and amphitheater system courtyard.

Phase 5: New 29,078 SF two-story Classroom D to replace existing antiquated classroom buildings. The new facility has twelve standard classrooms, two computer labs, two art classrooms, a ceramics classroom, two resource areas, a media room, a teacher workroom, three offices, toilet rooms, and building support spaces.

Phase 6: New 46,161 SF two-story Classroom B and 2,300 SF covered walkway with Rotunda. The new facility has three science classrooms, two computer labs, twenty standard classrooms, a large break-out classroom, three resource rooms, two offices, storage rooms, custodian and toilet rooms, three staff work rooms, a media room and a receiving room.

PROJECT INFORMATION

TOTAL CONSTRUCTION VALUE	$61.5 Million
ORIGINAL CONSTRUCTION VALUE	$61.5 Million
ORIGINAL SCHEDULE COMPLETION	August 2019
TIME EXTENSIONS GRANTED	None
ACTUAL COMPLETION DATE	August 2019

Roebbelen®

Today's Budget Appropriation

Item	Amount
Base Construction	$67,526,000
Alternates	$325,097
Construction Contingency	$3,392,555
Labor Compliance	$50,000
Utility Fees	$265,000
Inspection and Permitting	$20,000
Total	$71,578,652

Funding Overview

Source of Funds	Amount
Bond Proceeds	$55,000,000
Measure P Cash on Hand	$12,400,000
Measure S Sales Tax	$1,000,000
General Fund – Commercial Kitchen	$1,900,000
ARPA - Unallocated	$2,700,000
General Fund – Excess Reserves	$700,000
Total	**$73,700,000**
Today's Budget Appropriation	$71,578,652

Other Costs (to be allocated later)

Item	Amount
Construction Management	$1,000,000
Special Inspection	$650,000
Commissioning	$200,000
Incentive Bonus (If needed)	$225,000
Total	**$2,075,000**

Items Earmarked for Fundraising through the South Lake Tahoe Parks Foundation

Item	Amount
Kitchen, Gym, Pool, and Maintenance (Operational Daily Use)	$100,000
AV and Computer Equipment	$175,000
Public Art	$100,000
Furniture and Gym Equipment (FF&E)	$680,000
Total	**$1,055,000**

Project Time-Line

2023	2004	2025	2026
Recommend to Award: August 8, 2023 NTP: August 23	Start of Main Construction: May 1, 2024	Substantial Completion: Nov. 11, 2025	Final Completion: Jan 19, 2026

Questions

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 14

Agenda Item: Heavenly Valley Neighborhood Traffic and Parking Plan and Negotiations with Heavenly Resort Related to On-Street Parking Agreement

Executive Summary: During the winter of 2022-23, City staff received several complaints and concerns from the residents of the Heavenly Valley neighborhood regarding traffic congestion, overflow parking, illegal parking, and general nuisance in the area during winter periods. Staff organized a public meeting on May 15, 2023, and presented options to the City Council on June 6, 2023, for neighborhood preservations, including reduction of on-street parking in the current Heavenly agreement and restriction of seasonal parking within the Heavenly Valley residential neighborhood with additional No Parking or Residential Parking permit program. This agenda item proposed establishing a "No Parking or Residential Parking" zone in the Heavenly Valley Neighborhood, establishing a Chain Control Ordinance and Angle Parking Ordinance, and providing an update on negotiations with Heavenly Resort regarding modification to the current on-street agreement. This item also provides an option for the City Council to terminate the existing agreement by directing the City Attorney to terminate the agreement with 180-day notice.

Requested Action / Suggested Motions: Pass a Motion to 1) Hold the first reading (by title only) of an Ordinance amending South Lake Tahoe City Code, Title 4, Chapter 4.25, by adding Article IX (Chain Control Zone), and refer the second reading and adoption to the September 12, 2023 meeting; 2) Hold the first reading (by title only) of an Ordinance amending City of South Lake Tahoe City Code Section 4.25.420 to establish Angle Parking on the East Side of Ski Run Boulevard from David Lane to Regina Road and Removing Outdated Angle Parking Areas, and refer the second reading and adoption to September 12, 2023 meeting; 3) Pass a Resolution Establishing Seasonal No Parking Restrictions and Residential Parking Permit zones on Certain Streets in the Heavenly Valley Neighborhoods; 4) Pass a Resolution appropriating $200,000 from the Parking Bellamy Court Fund Available Fund Balance and Authorizing the City Manager to execute the necessary purchase orders for implementation of the No Parking and Residential Parking Permit program in Heavenly Valley Neighborhood; and 5) Provide direction to City staff to either continue negotiating with Heavenly Valley Limited Partnership for On-Street Parking related to the Heavenly Resort area or to terminate the current Agreement with Heavenly with 180-days of notice.

Responsible Staff Member: Anush Nejad, Director of Public Works, David Stevenson, Chief of Police

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

- 01-Staff_Report_-_Heavenly_On-Street_Parking_Agreement.docx
- 02_-_Chain_Control_Ordinance.docx
- 03 - Ordinance Angle Parking
- 04-Ordinance Angle Parking (redline).pdf
- 05 - Resolution_No_Parking_Zones_Final_Revised.docx
- 06-Resolution_Heavenly_Valley_Funding_for_Parking_Permit_Program.docx
- 07-C-81-13 Heavenly 2013 Agreement
- 08- Presentation - Heavenly Parking

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 8, 2023

Title: Heavenly Valley Limited Partnership On-Street Parking Agreement and Neighborhood Parking and Traffic Protection Plan

Location: Heavenly Valley Neighborhood

Responsible Staff Member: Anush Nejad, Director of Public Works - (530) 542-6031
David Stevenson, Chief of Police – (530) 542-6120

Background: On September 17, 2013, the City entered into an agreement with Heavenly Valley LP (now Heavenly Valley Limited Partnership d/ba/ Heavenly Mountain Resort (Heavenly)) to allow parking on certain roadways near the Heavenly Resort to ease traffic congestion and provide additional parking for employees and tourists. This agreement stipulates that Heavenly can use certain roadways as overflow parking (See Attachment 07). There are additional requirements for snow plowing, sanding, payment of $20,000 annually for using City streets as overflow parking, and payment for sanding recovery by City forces.

During the winter of 2022-23, City staff received several complaints and concerns from the residents of the Heavenly Valley neighborhood regarding traffic congestion, overflow parking, illegal parking, and general nuisance in the area during winter periods. Staff organized a public meeting on May 15, 2023, and presented options to the City Council on June 6, 2023, for neighborhood preservations, including reduction of on-street parking in the current Heavenly agreement and restriction of seasonal parking within the Heavenly Valley residential neighborhood with additional No Parking or Residential Parking permit program. A series of short-term, mid-term, and long-term solutions were presented, and City Council passed a motion generally approving these recommendations.

Issue and Discussion:

A. *Agreement with Heavenly/Vail Resorts:* In order to address the resident's concerns and issues raised by the public, staff is proposing changes to the Heavenly Agreement, as shown in Table "A" below. During the last two months, staff has been negotiating a new agreement. These changes were developed based on comments received from the public and City Council. Staff has discussed these changes to the agreement term with Heavenly and is continuing to finalize the final language of the agreement, which is mutually acceptable to both parties.

Table A – Proposed Changes to the Term of Agreement with Heavenly

Item Description	Current Term	Proposed Term
Term	Exclusive Use	Non-Exclusive Use
Payment	$20,000 per year	$155,200 (Based on the number of parking spaces x $10/day x 40 days per year overflow parking (388 x 10 x 40)

Item Description	Current Term	Proposed Term
On-Street Parking	1. Angle parking spaces on the east side of Ski Run Boulevard and parallel parking on the west side of Ski Run Blvd between David Lane and Needle Peak Road. 2. Angle parking spaces on east side of Ski Run Boulevard and parallel parking on the west side of Ski Run between Needle Peak and Regina Road. 3. Parallel parking spaces on Saddle Road between Wildwood Avenue and Ski Run Boulevard. 4. Parallel parking spaces on the north side of Needle Peak Road between Wildwood Avenue and Keller Road. 5. Parallel parking spaces on the north side of Regina Road between Wildwood Avenue and Keller Road. 6. Parallel parking spaces on the west and north sides of Keller Road between Saddle Road and the Saddle Road return Loop.	1. Angle parking spaces on the east side of Ski Run Boulevard and parallel parking on the west side of Ski Run Blvd between David Lane and Needle Peak Road. 2. Angle parking spaces on the east side of Ski Run Boulevard and parallel parking on the west side of Ski Run Boulevard between Needle Peak and Regina Road. 3. Parallel parking spaces on north side of Saddle Road between Wildwood Avenue and Ski Run Boulevard. 4. Parallel parking spaces on the west and north sides of Keller Road between Saddle Road and the Saddle Road return loop. **Note: Parking on Needle Peak Road and Regina Road are eliminated and no longer allowed.**
Snow Removal and Deicer Application	Heavenly **may** remove snow at its discretion using its own equipment and apply deicer and abrasives using its own equipment as it deems necessary to achieve the stated purposes of this agreement	Heavenly **shall** remove snow using its own or contracted equipment and apply deicer and abrasives using its own or contracted equipment to achieve the stated purposes of this agreement. **Note: Snow Removal is a primary function of Heavenly along these roadways:** 1. Lower Ski Run Boulevard between Needle Peak Road and Pioneer Trail. 2. Upper Ski Run Boulevard between Needle Peak Road and Regina Saddle Road. 3. Wildwood Avenue between Needle Peak Road and Saddle Road. 4. Needle Peak Road between Ski Run Boulevard and Wildwood Avenue. 5. Saddle Road between Ski Run Boulevard and Wildwood Avenue. 6. Keller Road above Saddle Road up to Sherman Way.

Item Description	Current Term	Proposed Term
Street Sweeping	Heavenly will pay one-half of the actual costs of recovery of abrasives that either Heavenly or the City has put down during the winter season.	Heavenly will pay a flat fee of $3,500 annually for street sweeping to recover abrasives that either Heavenly or the City has put down on the streets.
Street Repair	Heavenly shall reimburse the City for the cost of any road repair work required as a result of damage caused by Heavenly's negligent use of its snow removal or deicer equipment.	Heavenly shall reimburse the City for the cost of any road repair work required as a result of damage caused by Heavenly's negligent use of its snow removal or deicer equipment, plus pay **a one-time payment of $217,222** (42% of Ski Run repair costs).
Chain Control	None	Heavenly will station a minimum of one staff member to monitor vehicle access on Ski Run Road south of Pioneer Trail during Chain Control. See Chain Control Ordinance (Attachment 02).
Changeable Message Sigs	None	Heavenly will deploy three (3) portable Changeable Message Signs (CMS) at major decision points to inform motorists of road and parking conditions.
Transit Service	None	During the first year, Heavenly will use 100% of the funds generated from the Parking Lot revenue toward transit service. The revenue will be used for both transit and operational service for subsequent years.
Coordination Meetings	None	Bi-Weekly Meeting during winter conditions

Negotiations with Heavenly have been promising but remain ongoing. City Staff plans to continue to negotiate and, if successful, finalize the Agreement Terms and bring the final version for approval on September 12, 2023. Alternatively, City Council can terminate the Agreement by providing a 180-day notice to Heavenly/Vail now or on September 12, 2023, if a mutually acceptable agreement is not reached. However, the termination of the Agreement notice now will still allow on-street parking until February/May 2024 under the current agreement.

B. *Neighborhood Protection Plan:* In order to mitigate any potential overflow parking along residential streets in the Heavenly Valley neighborhood, staff is proposing establishing Seasonal No Parking Restrictions in the Heavenly Valley neighborhood, which typically consist of Residential Parking on one-side of the roadway and No Parking on the other side. For certain roadways with limited width, No Parking is recommended on both sides. (See Attached Resolution 05). The roadways that currently have No Parking will remain unchanged. The

parking restriction will include all residential streets within a half-mile of Heavenly Lodge between November 1 to May 1.

Staff also proposes changing the parking fines from $75 to $300 per Council recommendation. The change to the parking fine will require an amendment to the Master Fee Schedule, which will be scheduled for September 12, 2023, Council Agenda.

C. Chain Control Plan and Other Ordinance Changes

Finally, to create a safer driving environment during winter conditions, due to steep grades in the Heavenly Valley area, staff is proposing the adoption of a Chain Control Ordinance on certain streets and recommended establishing a Chain Control Zone on certain Streets including Ski Run Boulevard, Wildwood Avenue, Keller Road, Need Peak Road, Saddle Road, and Regina Road, east of Pioneer Trail, to be activated when winter conditions warrant upon the order of the Police Chief.

Staff recommends establishing a chain control checkpoint on Ski Run Boulevard near David Lane, where vehicles without tire traction devices or four-wheel drive with snow-tread tires will be turned back. The Chief of Police recommends establishing a fine of $205 for drivers of vehicles operating within the Chain Control Zone without tire chains or four-wheel drive with snow-tread tires during times when the Police Chief has issued an order activating the Chain Control Zone (See Attachment 02, Chain Control Ordinance).

In addition, City must establish “Angle Parking” by Ordinance to allow parking on Ski Run. The attached Ordinance establishes Angle Parking on Ski Run and updates all Angle Parking in the City. (See Attachments 03 and 04 (Redline Version)).

D. Summary

If adopted, these upgrades, plus the changes in the proposed revision to the Agreement with Heavenly, will address the short-term and mid-term solutions proposed during the June 6th meeting. Other long-term concepts that were presented on June 6, 2023, include:

1) New Parking Garage with some type of transit connection to Heavenly Lodge;
2) Construction of a Pedestrian/Bike Path on Ski Run/Needle Peak/ Wildwood to separate the vehicle from pedestrians to improve safety.

These longer-term projects will be evaluated with future CIP programs. Currently, there is no funding for these projects, and cost-sharing with Heavenly and other parties may be required to fund these projects.

Financial Implications: Staff is requesting $80,000 in funding for the purchase of signs and posts, $20,000 for the initial implementation of the Residential Parking Permit Program (“RPPP”), and $100,000 for the installation of the signs. The City can purchase the signs and posts, and due to staffing issues and timeline, staff proposes to retain a contractor to install the signs before the winter season. To fund these needs, staff is proposing to use the available fund balance in the Enterprise Fund 510 Parking Bellamy Court. This fund receives its revenues from the parking meters installed around the parking garage. This funding source is appropriate to use to address the existing parking issues in the Heavenly Valley neighborhood. The attached Resolution

(Attachment 06) includes the total appropriations of $200,000 from the available fund balance in Fund 510 Parking Bellamy Court as follows: $180,000 into a new Capital Improvement Project account Heavenly Valley Traffic Safety 301-50048- (36352 Transfer In, 45017 Signs Supplies, and 42025 Contract Services for installation), and $20,000 into Parking Management Program Account 515-05330 (36352 Transfer In, 45010 General Supplies) for RPPP set-up.

Environmental Considerations: The actions proposed in this item are exempt from review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15301 (Existing Facilities).

Policy Implications: This project advances the City Council Strategic Priorities and Goals related to traffic safety and neighborhood preservation.

Ordinance 2023-XXX

Adopted by the City of South Lake Tahoe City Council

September 12, 2023

An Ordinance Amending South Lake Tahoe City Code Title 4, Chapter 4.25 (Motor Vehicles and Traffic) to Add Article IX (Chain Control Zone) to Establish a Chain Control Zone on Certain Streets in the Heavenly Valley Neighborhood

FINDINGS

A. The city streets leading up to the Heavenly California Base are steep and become icy and slick in winter conditions, which has led to an increasing number of accidents and vehicles becoming stuck and blocking snow removal operations, especially vehicles without proper traction such as tire chains or four-wheel drive with snow-tread tires, further exacerbating the public safety issues on these streets and in surrounding neighborhoods.

B. As part of the ongoing effort to improve parking and traffic conditions in the Heavenly Valley neighborhood, especially during winter conditions and the Heavenly ski season, the Public Works Director/City Traffic Engineer and Police Chief have recommended establishing a Chain Control Zone on certain Streets including Ski Run Boulevard, Wildwood Avenue, Keller Road, Needle Peak Road, Saddle Road, and Regina Road, to be activated when winter conditions warrant upon the order of the Police Chief.

C. The Public Works Director/City Traffic Engineer and Police Chief intend to establish a chain control checkpoint on Ski Run Boulevard near David Lane, where vehicles without tire traction devices or four-wheel drive with snow-tread tires will be turned back.

D. The Public Works Director/City Traffic Engineer and Police Chief recommend establishing a fine of $205 for drivers of vehicles operating within the Chain Control Zone without tire chains or four-wheel drive with snow-tread tires during times when the Police Chief has issued an order activating the Chain Control Zone.

E. The City has authority to establish a chain control zone on highways (including city streets) under California Vehicle Code section 27459.

Now, Therefore, the City Council of City of South Lake Tahoe does ordain as follows:

SECTION 1. South Lake Tahoe City Code Title 4, Chapter 4.25 (Motor Vehicles and Traffic), is hereby amended to add Article IX (Chain Control Zone) as follows:

Article IX. Chain Control Zone

4.25.810 Chain Control Zone Established.

No person shall operate a motor vehicle without tire traction devices on the following streets during times when the Police Chief has issued an order activating the chain control zone and chain control zone signage is in place:

Streets east of Pioneer Trail between the intersection with Price Road and the intersection with Keller Road:

A. Ski Run Boulevard south of Pioneer Trail;
B. Wildwood Avenue south of Pioneer Trail;
C. Keller Road south of Pioneer Trail;
D. Needle Peak Road;
E. Saddle Road; and
F. Regina Road.

4.25.820 Required Tire Traction Devices.

A. Tire traction devices are devices or mechanisms having a composition and design capable of improving vehicle traction, braking, and cornering ability upon snow or ice-covered surfaces, such as chains or cables. Tire traction devices shall meet the requirements in California Vehicle Code section 605, as may be amended from time to time.

B. Snow-tread tires shall be of a type and design manufactured for use on snow as a replacement for tire traction devices, shall be in good condition, and shall bear the marking of M-S, M/S, or other marking indicating that the tire was manufactured for use on snow.

C. When the chain control zone is activated and chain control signage is in place, tire traction devices shall be placed on at least two drive wheels, or in the alternative, four-wheel drive vehicles may be equipped with snow-tread tires on all four wheels.

4.25.830 Penalty.

Any person violating the provisions of this article shall be guilty of an infraction and upon conviction shall be punished by a fine of not less than $205 or a greater amount set by resolution of the city council.

SECTION 2. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 3. The City Council finds that adoption of the proposed Ordinance is not a project requiring environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) because the Ordinance is general policy and procedure making.

SECTION 4. The City Clerk is directed to certify this Ordinance and cause it to be published in the manner required by law.

SECTION 5. This Ordinance shall become effective thirty days after the date of its adoption.

Adopted by the City of South Lake Tahoe City Council on September 12, 2023 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date:_____
Cristi Creegan, Mayor

Attest:

_____
Susan Blankenship, City Clerk

First Reading:
Published:
Second Reading:
Effective:

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Ordinance 2023-XXX

Adopted by the City of South Lake Tahoe City Council

September 12, 2023

An Ordinance Amending South Lake Tahoe City Code Section 4.25.420 to Establish Angle Parking on the East Side of Ski Run Boulevard from David Lane to Regina Road and Remove Outdated Angle Parking Areas

FINDINGS

A. As part of the ongoing effort to improve parking and traffic conditions in the Heavenly Valley neighborhood, especially during winter conditions and the Heavenly ski season, the Public Works Director/City Traffic Engineer has recommended angle parking on the east side of Ski Run Boulevard from David Lane to Regina Road.

B. The Public Works Director/City Traffic Engineer recommends removing outdated angle parking areas referencing sections of Ski Run Boulevard where angle parking is no longer used or needed, and updating the segment of Harrison Avenue where angle parking is installed.

C. Under California Vehicle Code section 22503, a local authority may adopt an ordinance to permit angle parking on any roadway.

Now, therefore, the City Council of the City of South Lake Tahoe does ordain as follows:

SECTION 1. Section 4.25.420 (Manner of parking – Angle parking) of the South Lake Tahoe City Code is hereby amended to read as follows:

Angle parking is permitted upon the following city streets upon the following conditions:

A. Upon the westerly side of Harrison Avenue between San Jose Avenue and Los Angeles Avenue; provided that, no portion of any stopped or parked vehicle shall extend over the roadway side of a white line painted upon the road surface parallel to and eight feet from the westerly boundary line of the right-of-way of such Harrison Avenue.

B. Upon the easterly side of Ski Run Boulevard between David Lane and Regina Road; provided that, the front of the vehicle is parked within 18 inches of the edge of the rolled curb and entirely within any white lines painted on the road surface designating parking spaces.

SECTION 2. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction,

such decision will not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 3. The City Council finds that adoption of the proposed Ordinance is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15301(c) (Existing Facilities) because the Ordinance addresses parking striping and regulations on an existing roadway.

SECTION 4. The City Clerk is directed to certify this Ordinance and cause it to be published in the manner required by law.

SECTION 5. This Ordinance shall become effective thirty days after the date of its adoption.

Adopted by the City of South Lake Tahoe City Council on September 12, 2023, by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

First Reading:
Published:
Second Reading:
Effective:

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

4.25.420 Manner of parking – Angle parking.

Angle parking is permitted upon the following city streets upon the following conditions:

A. Upon the westerly side of Harrison Avenue between ~~Lakeview~~ San Jose Avenue and ~~Modesto~~ Los Angeles Avenue; provided, that no portion of any stopped or parked vehicle shall extend over the roadway side of a white line painted upon the road surface parallel to and eight feet from the westerly boundary line of the right-of-way of such Harrison Avenue.

B. Upon the easterly side of Ski Run Boulevard between David Lane and Regina Road; provided that, the front of the vehicle is parked within 18 inches of the edge of the pavement and entirely within any white lines painted on the road surface designating parking spaces.~~Upon those portions of Ski Run Boulevard from its intersection with State Route No. 11 (U.S. Highway 50) to its westerly terminus at the southerly extension of the westerly boundary line of Lakeside Avenue, marked by white lines painted on the road surface designating angle parking; provided, that the vehicle is parked wholly within the white lines designating a single parking space.~~

~~C. Upon the southwesterly side of Ski Run Boulevard from its intersection with Forest View Heights Road to a point 300 feet northwesterly along the right-of-way boundary of such Ski Run Boulevard from such intersection; provided, that the front of the vehicle is parked within 18 inches of the curbing provided at the edge of such road and entirely within any white lines painted on the road surface designating parking spaces.~~

~~D. Upon both sides of Ski Run Boulevard between Lakeside Avenue and Mackedie Way; provided, that the vehicle is parked wholly within the white lines designating a single parking place, and within eight feet of the right-of-way of Ski Run Boulevard.~~

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe City Council

August 8, 2023

Establishing Seasonal or Permanent No Parking Restrictions on Certain Streets in the Heavenly Valley Neighborhoods

BACKGROUND

A. As part of the ongoing effort to improve parking and traffic conditions in the Heavenly Valley neighborhoods, especially during winter conditions and the Heavenly ski season, the Public Works Director/City Traffic Engineer recommends establishing certain residential streets as no parking areas or Residential Parking Permit (RPP) from November 1 to May 1.

B. Under South Lake Tahoe City Code section 4.25.300(C) and California Vehicle Code section 22507(a), the City Council is authorized to establish no parking areas by resolution and enforce the no parking areas once appropriate signage is installed.

C. If the City Council adopts an ordinance to authorize residential permit parking under California Vehicle Code section 22507(a), then the Public Works Director/Traffic Engineer will propose modifications to this resolution to authorize residential permit parking on one or both sides of those streets where residents have indicated sufficient support for such a program.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Establishes no parking areas from November 1 to May 1, or maintains permanent no parking areas where such areas already exist, on the following streets and segments of streets:
    a. Bridle Road (RPP on the northerly side and No Parking on southerly side)
    b. Bonita Road (No Parking on the northerly side and RPP on the southerly side)
    c. Donner Lane (RPP on the westerly side and No Parking on the easterly side)
    d. Keller Road from intersection with Sherman Way to intersection with Saddle Road (No Parking on easterly side and southerly side)
    e. Keller Road from intersection with Saddle Road to intersection with Regina (RPP on northerly side (450 feet west of Saddle) and No Parking on southerly side)

f. Keller Road from intersection with Regina Road to intersection with Markoffer Way (No Parking both sides)

g. Knoll Lane (RPP on easterly side and No Parking on westerly side)

h. Logroad Place (No Parking both sides)

i. Lucinda Court (RPP on westerly side and No Parking on easterly side)

j. June Way (No Parking both sides)

k. MacKedie Way (No Parking both sides)

l. Needle Peak Road from intersection with Keller Road to intersection with Wildwood Avenue (RPP on southerly side and No Parking on northerly side)

m. Overlook Court (No Parking both sides)

n. Regina Avenue from intersection with Wildwood Avenue to intersection with Keller Road (RPP on easterly side and No Parking on westerly side)

o. Saddle Road from intersection of Saddle to Keller Road (No Parking both sides)

p. Saddle Road from intersection of Keller Road to Wildwood Avenue (No Parking both sides)

q. Saddle Road from intersection of Wildwood Avenue to Ski Run Blvd (No Parking on southerly side)

r. Saddle Road from intersection of Ski Run Blvd to end (No Parking both sides)

s. Sherman Way (No Parking both sides)

t. Ski Run Boulevard from intersection of Pioneer Trail to David Lane (No Parking both sides)

u. Ski Run Boulevard from intersection of MacKedie Way to intersection of Saddle Road (No Parking both sides)

v. Timber Lake Place (No Parking both sides)

w. Terrace Drive (No Parking both sides)

x. Wildwood Avenue from intersection with Saddle Road to intersection with Overlook Court (No Parking both sides)

y. Wildwood Road (No Parking both sides)

z. Woods Avenue (No Parking both sides)

aa. Verdon Lane (No Parking both sides)

2. Amends the Master Fee Schedule to add a Parking Citation fine of $300 for parking in one of the no parking areas listed in this Resolution.

Adopted by the City of South Lake Tahoe City Council on August 8, 2023, by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

August 8, 2023

Appropriating $200,000 from the Available Fund Balance in Parking Bellamy Court Fund 510 and Authorizing the City Manager to execute the necessary purchase orders for implementation of the No Parking and Residential Parking Permit Program in Heavenly Valley Neighborhood

BACKGROUND

A. City staff has received several requests regarding traffic congestion and parking impacts in the Heavenly Valley neighborhood during winter seasons due to parking overflow from the Heavenly/Vail Resort.

B. City staff met and discussed the traffic congestion and parking impacts with the neighborhood on May 15, 2023.

C. City staff presented options to the City Council on June 6, 2023, and City Council supported the implementation of additional No Parking zones and deploying a Residential Parking Permit Program (RPPP) in the residential areas and on designated roadways, in addition to increasing the parking fines.

D. City staff has introduced an Ordinance to implement Residential Parking Permit Program on a citywide basis.

E. City staff can implement the proposed mitigations through procurement of the equipment and materials necessary to install additional signs and implement the Residential Parking Permit Program for the Heavenly Valley neighborhood.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Appropriates $200,000 from the Parking Bellamy Court Fund 510 available fund balance to the following accounts: 1) $180,000 to the new CIP Account Heavenly Valley Traffic Safety 301-50048-(36352, 45017 and 42025) for purchasing signs and posts ($80,000) and installation of the signs ($100,000); and 2) $20,000 to Parking Management Program Account 515-05330 (36352 and 45010) for RPPP set-up.
2. Authorizes and directs the City Manager to sign the necessary Purchase Orders in accordance with the City's Procurement policy for the equipment and materials necessary for the proposed additional No Parking and Residential Parking Permit Program for the Heavenly Valley neighborhood.

Adopted by the City of South Lake Tahoe City Council on August 8, 2023, by the following vote:

Yes:

No:

Absent:

Abstain:

_____ Date:_____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

CITY OF SOUTH LAKE TAHOE – HEAVENLY PARKING AGREEMENT

This AGREEMENT executed this 1ST day of October, 2013 ("**Effective Date**"), is entered into by Heavenly Valley, Limited Partnership, a Nevada Limited Partnership, d/b/a Heavenly® Mountain Resort ("**Heavenly**") and the City of South Lake Tahoe, California hereinafter ("**City**").

1. Purposes

A. Heavenly desires to utilize portions of existing City streets where adequate area exists for limited on-street parking during peak visitor days in the vicinity of the California Main Lodge.

B. The City desires to lease these areas to Heavenly.

C. Both parties desire to have the area streets plowed and de-icer and abrasive materials applied as quickly as possible during the winter season for the benefit of the travelling public, residents and the local economy.

D. Heavenly can make its snow removal and deicer equipment and properly trained staff available to assist the City with expedited snow removal and deicer application in specific areas and during certain times when City resources are deployed elsewhere.

E. Both parties will derive mutual benefits from these activities.

F. Both parties recognize and affirm that the existing agreement between the parties for the on-street parking should be updated to reflect more current conditions.

G. The parties desire to continue the relationship and arrangement which they have successfully implemented over many years.

The parties agree to the following terms and conditions:

2. Locations of On-Street Parking

Heavenly agrees to pay to the City by January 31 of each year for the current ski season, the sum of $20,000.00 for the exclusive use of the following sites for on-street parking:

A. Angle parking spaces on the east side of Ski Run Boulevard and parallel parking on the west side of Ski Run Blvd between David Lane and Needle Peak Road, see attached Exhibit A.
B. Angle parking spaces on both sides of Ski Run Boulevard between Needle Peak and Regina Road, see attached Exhibit A.
C. Parallel parking spaces on Saddle Road between Wildwood Avenue and Ski Run Boulevard, see attached Exhibit A.

CENTRAL RECORDS
FILE No.: 1047
C-81-13

9/17/13 CC MTG.

D. Parallel parking spaces on the north side of Needle Peak Road between Wildwood Avenue and Keller Road, see attached Exhibit A.
E. Parallel parking spaces on the north side of Regina Road between Wildwood Avenue and Keller Road, see attached Exhibit A.
F. Parallel parking spaces on the east and north sides of Keller Road between Saddle Road and the Saddle Road return loop, see attached Exhibit A.

Exhibit A shows the locations of on-street parking spaces that Heavenly will use and the sequence in which they will generally be used in order from A through F.

3. Snow Removal and Application of Deicer and Abrasives on City Streets

In order to assist the City with timely snow removal and application of deicer and abrasives on the streets that are covered by this agreement, Heavenly may remove snow at its discretion using its own equipment and apply deicer and abrasives using its own equipment as it deems necessary to achieve the stated purposes of this agreement. Heavenly shall use its best efforts to communicate the intent to remove snow and to apply deicer and abrasive a minimum of 12 hours in advance to the City Street Superintendant or their designee, unless it believes that a public safety situation requires immediate action. In those instances, Heavenly will notify the City Street Superintendant or designee within a maximum of 12 hours following such an action.

Exhibit B shows the location of snow removal and deicer/abrasive application and the priority in which snow will be removed (Priorities 1 and 2).

A. Location of applications.

i. Lower Ski Run Boulevard between Needle Peak Road and Pioneer Trail.
ii. Upper Ski Run Boulevard between Needle Peak Road and Saddle Road.
iii. Needle Peak Road between Ski Run Boulevard and Wildwood Avenue.
iv. Wildwood Avenue between Needle Peak Road and Saddle Road.
v. Saddle Road between Ski Run Boulevard and Wildwood Avenue.
vi. Regina Road between Needle Peak Road and Keller Road.
vii. Keller Road above Saddle Road.

B. Heavenly will pay to the City the ½ (one-half) of the actual costs of recovery of abrasives that either Heavenly or the City has put down during the winter season (generally between November 1 and April 15), incurred by the City on the streets identified above based within 30 days from Heavenly's receipt of the undisputed invoice clearly itemizing such costs.

C. By 15th day of each month between November and April, Heavenly will report monthly to the City in a mutually agreeable format, the amount and location of deicer and abrasives that it has put down.

D. Heavenly shall reimburse the City for the cost of any road repair work required as a result of damage caused by Heavenly's negligent use of its snow removal or deicer equipment within 30 days from Heavenly's receipt of the undisputed invoice from City showing repairs performed and monies due.

In the event of dispute over the nature of the charges or the reasonableness of the cost of the repair work invoiced, the dispute shall be submitted to the City Council of South Lake Tahoe for resolution. The decision of the City Council shall be final and binding on all parties.

4. Insurance Requirements

As and for the duration of this agreement, Heavenly shall assume the following duties:

A. Heavenly will carry and maintain, at its sole cost, the following insurance policies with insurance companies reasonably satisfactory to City.

(i) Commercial General Liability insurance in an occurrence form in an amount of no less than $1,000,000 per occurrence covering liability arising out of premises operations, personal and advertising injury, products-completed operations, contractual liability and independent contractors.

(ii) If the Services require the use of an auto, Heavenly must carry Commercial Auto Liability insurance with a limit of insurance no less than $1,000,000 combined single limit each accident for bodily injury and property damage.

(iii) Workers' Compensation insurance as required by applicable law.

B. Heavenly will provide City with (i) a copy of the carrier notice of cancellation within five days after the notice is received; and (ii)

certificates of insurance evidencing the policies listed above prior to any provision of the Services. If any portion of the Services is subcontracted, Heavenly will require the subcontractor to provide the insurance listed above.

5. Hold Harmless

Heavenly hereby agrees to, and shall, hold City, its elective and appointed boards, officers, agents, and employees, harmless from any liability for damage or claims for damages for personal injury, including death, as well as claims for property damage which may result or arise from Heavenly's, its agents, employee, officers, or contractors negligence under this agreement. City does not, and shall not, waive any rights it may have against Heavenly, by reason of the aforesaid hold harmless agreement, because of the acceptance by City of any policy of insurance described above.

6. Duration of Agreement

This agreement shall continue from year to year from the Effective Date, unless terminated as provided herein. This agreement may be terminated at any time upon one party hereto giving the other party hereto one hundred eighty (180) days written notice or upon the mutual agreement of both parties hereto.

7. Notices

Any notices required under the provisions of this agreement to be affected between the parties of this agreement shall be effective within forty-eight (48) hours after deposit, postage prepaid, in the mail of the United States, addressed as follows:

If to Heavenly:
Heavenly Mountain Resort
Post Office Box 2180
Stateline, NV 89449
Attention: Vice President of Planning & Governmental Affairs

If to Vail Resorts Corporate:
Vail Resorts Management Company
390 Interlocken Crescent, Suite 1000
Broomfield, Co 80021
Attention: Legal Department

If to the City of South Lake Tahoe:
the City of South Lake Tahoe
1901 Airport Drive, Suite 300
Attention: City Attorney

In witness whereof, the parties have set their hands the day and year first above written.

Heavenly Valley Limited Partnership
d/b/a Heavenly Mountain Resort
By its General Partner, VR Heavenly I, Inc.

By_____
Pete Sonntag, Vice President and General Manager

The City of South Lake Tahoe

By_____ 9/17/2013
Tom Davis, Mayor

APPROVED AS TO FORM:

By_____
Thomas T. Watson, City Attorney

ATTEST:

By_____
Susan Alessi, City Clerk

EXHIBIT A

Map of On Street Parking
(See Attached)

Department of
Public Works
Engineering

Heavenly Area
Overflow Parking

0 0.045 0.09 0.18
Miles

N

Eric Friedlander
City of SLT
8/2/2013

EXHIBIT B

Snow Removal and Sanding Plan
(See Attached)

LN
. RUN BLVD
WILDWOOD AVE
NEEDLE PEAK RD
NEEDLE PEAK RD
KELLER AVE
REGINA RD
REGINA RD
KELLER AVE
JUNE WAY
WOODS AVE
SADDLE RD
SADDLE RD
SADDLE RD
KELLER RD
WILDWOOD AVE
SADDLE RD
LOWER PARKING LOT
UPPER PARKING LOT
TRAM
CALIFORNIA
LODGE
LEG
00'
SKI R
. AND SANDING PLAN
JOB No 09169SNOW.dwg

Heavenly Valley Parking and Traffic Management Plan

Council Presentation – August 8, 2023

Community Input

Heavenly Village Parking and Traffic Issue and Potential Solutions

Issues	Potential Countermeasures
▪ Double Parking on Regina. ▪ Parking concerns on Keller. ▪ Parking concerns along Needle Peak. ▪ Parking in No Parking Zones. ▪ Traffic Bypass traffic along Verndon. ▪ Skidding and Traffic Hazards during major snowfall/ice build-up. ▪ Traffic congestion and parking issues when on-street parking is full. ▪ Pedestrian Safety Issues. ▪ Spillover parking from Heavenly Lodge Parking Area.	▪ Reduce on-Street Parking in the area. ▪ Prohibit On-Street Parking between November 1 to May 1 in residential areas, allowing residential parking permits. ▪ More parking enforcement. ▪ Institute chain control measure at the bottom of the Ski Run (will apply to all vehicles). ▪ Add Tow Signs. ▪ Increase Parking Fines and Towing. ▪ Provide accurate traveler information at decision points to inform visitors when parking lot and on-street parking is full. ▪ Heavenly to explore transit options. ▪ City to explore other means to bring visitors to Heavenly Lodge

Recommended Short-Term Solutions

- Establishing seasonal No Parking or Residential Parking Permits zones in residential streets subject to an overflow impact. The average zone of parking impact is estimated to be about half-mile from the Heavenly Lodge. No Parking or Residential Permit will only be effective from November 1 to May 1.
- Add Tow-Away underplate.
- Increase the No Parking violation fine from $75 to $300.
- Implement a Chain Control Area at the bottom of the Ski Run with a $205 fine for violation.
- Improve coordination with Heavenly/Vail Resort during winter weather events.

Potential Long-Term Solutions

Long-term projects are conceptual only and require more detailed evaluation, direction from City Council, and inclusion in City's Capital Improvement Program. Currently, there is no funding for these projects, and cost-sharing with Heavenly and other parties may be required to fund these projects.

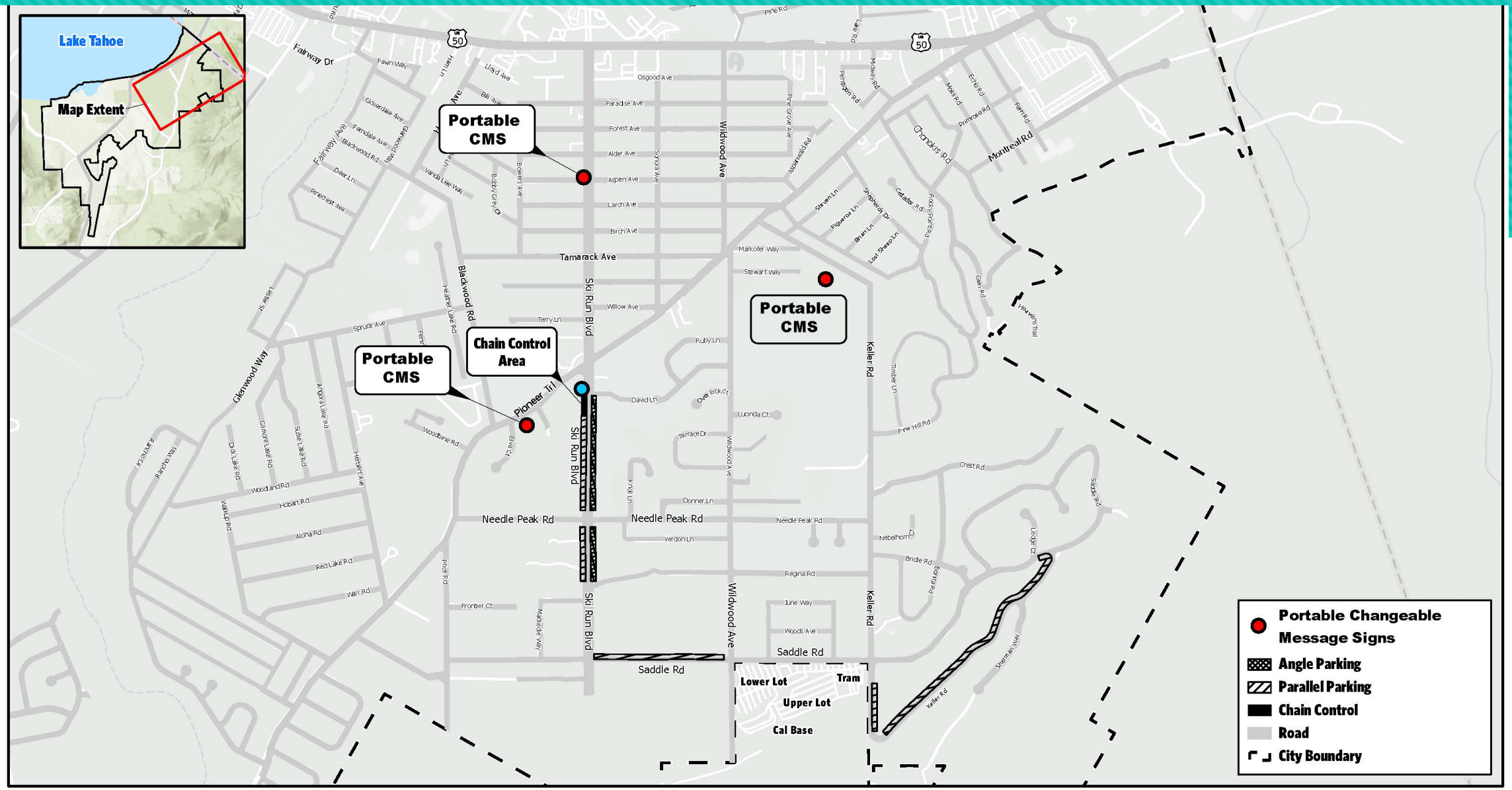
- A new Parking Garage with transit connection to Heavenly Lodge
- Construction of Pedestrian/Bike Path on Ski Run/Needle Peak/ Wildwood to separate the vehicle from pedestrians to improve safety.

Item Description	Current Term	Proposed Term
Term	Exclusive Use	Non-Exclusive Use
Payment	$20,000 per year	**$155,200** per year (Based on the number of parking spaces x $10/day x 40 days per year overflow parking (388 x 10 x 40)
On-Street Parking	1. Angle parking spaces on the east side of Ski Run Boulevard and parallel parking on the west side of Ski Run Blvd between David Lane and Needle Peak Road. 2. Angle parking spaces on east side of Ski Run Boulevard and parallel parking on the west side of Ski Run between Needle Peak and Regina Road. 3. Parallel parking spaces on Saddle Road between Wildwood Avenue and Ski Run Boulevard. 4. Parallel parking spaces on the north side of Needle Peak Road between Wildwood Avenue and Keller Road. 5. Parallel parking spaces on the north side of Regina Road between Wildwood Avenue and Keller Road. 6. Parallel parking spaces on the west and north sides of Keller Road between Saddle Road and the Saddle Road return Loop.	1. Angle parking spaces on the east side of Ski Run Boulevard and parallel parking on the west side of Ski Run Blvd between David Lane and Needle Peak Road. 2. Angle parking spaces on the east side of Ski Run Boulevard and parallel parking on the west side of Ski Run Boulevard between Needle Peak and Regina Road. 3. Parallel parking spaces on north side of Saddle Road between Wildwood Avenue and Ski Run Boulevard. 4. Parallel parking spaces on the west and north sides of Keller Road between Saddle Road and the Saddle Road return loop. **Note: Parking on Needle Peak Road and Regina Road are eliminated and no longer allowed.**

Item Description	Current Term	Proposed Term
Snow Removal and Deicer Application	Heavenly may remove snow at its discretion using its own equipment and apply deicer and abrasives using its own equipment as it deems necessary to achieve the stated purposes of this agreement	Heavenly shall remove snow using its own or contracted equipment and apply deicer and abrasives using its own or contracted equipment to achieve the stated purposes of this agreement. **Note: Snow Removal will be primary function of Heavenly along these roadways:** 1. Lower Ski Run Boulevard between Needle Peak Road and Pioneer Trail. 2. Upper Ski Run Boulevard between Needle Peak Road and Regina Saddle Road. 3. Wildwood Avenue between Needle Peak Road and Saddle Road. 4. Needle Peak Road between Ski Run Boulevard and Wildwood Avenue. 5. Saddle Road between Ski Run Boulevard and Wildwood Avenue. 6. Keller Road above Saddle Road up to Sherman Way.

Item Description	Current Term	Proposed Term
Street Sweeping	Heavenly will pay one-half of the actual costs of recovery of abrasives that either Heavenly or the City has put down during the winter season.	Heavenly will pay a flat fee of $3,500 annually for street sweeping to recover abrasives that either Heavenly or the City has put down on the streets.
Street Repair	Heavenly shall reimburse the City for the cost of any road repair work required as a result of damage caused by Heavenly's negligent use of its snow removal or deicer equipment.	Heavenly shall reimburse the City for the cost of any road repair work required as a result of damage caused by Heavenly's negligent use of its snow removal or deicer equipment, plus pay a one-time payment of **$217,222** (42% of Ski Run repair costs).
Chain Control	None	Heavenly will station a minimum of one staff member to monitor vehicle access on Ski Run Road south of Pioneer Trail during Chain Control. See Chain Control Ordinance.

Item Description	Current Term	Proposed Term
Changeable Message Sigs	None	Heavenly will deploy three (3) portable Changeable Message Signs (CMS) at major decision points to inform motorists of road and parking conditions.
Transit Service	None	During the first year, Heavenly will use 100% of the funds generated from the Parking Lot revenue toward transit service. The revenue will be used for both transit and operational service for subsequent years.
Coordination Meetings	None	Bi-Weekly Meeting during winter conditions



CITY OF SOUTH LAKE TAHOE

Heavenly Cal Base Parking Plan

0 1 2 4 6 8
Miles

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 15

Agenda Item: Supplemental Analysis of Tiered Inclusionary Housing Requirement and In-Lieu Fee

Executive Summary: The City Council provided direction to staff to prepare additional analysis of a potential tiered inclusionary housing policy. The analysis was completed and is presented with the intent of informing the direction regarding the creation of an inclusionary housing ordinance for future adoption by the City Council.

Requested Action / Suggested Motions: Pass a Motion directing staff to draft a Tiered Inclusionary Housing Requirement Ordinance for presentation and adoption by the City Council.

Responsible Staff Member: Zach Thomas, Housing Manager

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff_Report_-_Tiered_Inclusionary_Analysis.docx
02-Supplemental_Tiered_Analysis_FINAL.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 8, 2023

Title: Supplemental Analysis of Tiered Inclusionary Housing Requirement and In-Lieu Fee

Location: City-wide

Responsible Staff Member: Zach Thomas, Housing Manager

Background: At its January 24, 2023 meeting, the City Council was presented the *Analysis of Local Funding Sources for Housing Initiatives* report (Report) that analyzed eight different local discretionary funding sources that could provide revenue to fund the City's housing initiatives. Upon receiving the presentation, the Council provided direction to staff to conduct further stakeholder outreach on the potential implementation of a Transient Occupancy Tax (TOT) and a Real Estate Vacancy Tax. The Council also requested that additional nexus and feasibility analysis be completed to further inform discussion about a potential inclusionary housing percentage and in-lieu fee.

The supplemental nexus and feasibility analysis was presented to the City Council on May 2. After receiving the presentation, holding public comment and engaging in Council discussion, direction was provided for staff to conduct enhanced analysis of inclusionary housing and commercial linkage fee policies.

At its June 6, 2023 meeting the City Council approved a scope of work and budget to include the following:

- Enhanced Residential Nexus and Feasibility Analysis
- Coordination with HCD for Regulatory Compliance
- Enhanced Commercial Linkage Fee Nexus and Feasibility Analysis
- Additional Meeting Attendance

Issue and Discussion: The primary focus of the additional analysis is to inform the discussion of a tier based inclusionary housing policy. Additionally, the analysis further reviews and updates the nexus and feasibility analysis contained in the original report presented to the City Council on January 24, 2023.

While not central to the analysis, the scope also included a task to prepare materials necessary to facilitate a review of the City's inclusionary housing proposal by HCD to ensure consistency with AB1505. Upon consultation with HCD this task has been determined to be unnecessary at this time.

Analysis Summary and Recommendation

The supplemental study provides a nexus and feasibility analysis of a tier-based inclusionary housing policy. The analysis includes a recommendation to base tiers on unit size rather than unit value due to the challenges of verifying applicant provided value information and potential costs associated with collecting fees after construction once a final assessment by El Dorado County is issued. Therefore, nexus and feasibility analysis are provided based on single-family, condominium, and multi-family unit size.

The attached report provides extensive detail on the analysis conducted on the induced workforce demand created by each development type. This in turn determines the recommended inclusionary percentage for each building type.

The feasibility study component of the analysis determined the induced workforce housing demand and equivalent in-lieu fee necessary to mitigate the housing impact associated with each development type as well as the ability for each development type to absorb the associated in-lieu fee. This analysis considered the “net gap” as well as the total cost of providing the induced workforce housing.

The analysis concludes that single-family and condominium projects with units less than 2,000 square feet and multi-family rental units generally cannot absorb the cost of an inclusionary housing requirement. Staff is recommending that these projects be exempt, as well as construction of any residential units that are deed restricted for tenants with income at or below moderate income.

The analysis also concluded that for sale single-family and condominium projects have an increased ability to absorb an inclusionary requirement as unit size gets larger. Staff is recommending that the rate associated with the “net gap” equivalent (subsidy needed to develop affordable housing after outside grants and funding sources) be applied to units between 2,000 and 3,000 square feet and that the rate associated with the total cost of developing affordable housing be applied to units greater than 3,000 square feet in order to incentivize development of smaller units. This recommendation is consistent with the workforce housing demand nexus and feasibility analysis.

Recommended Inclusionary Percentage and In-Lieu Fee Amounts for Single-Family Homes and Condominiums

	Inclusionary Percentage	*Equivalent In-Lieu Fee Per Unit*	*In-Lieu Fee*
2,000 Sq. Ft or Under	**Exempt**		
2,001-2,500 Sq. Ft.	5%	Net Gap	$5.29 Sq. Ft.
2,501-3,000 Sq. Ft.	6%	Net Gap	$5.84 Sq. Ft.
3,001-5,000Sq. Ft.	9%	Total Cost	$16.77 Sq. Ft
>5,000 Sq. Ft.	17%	Total Cost	$17.65 Sq. Ft

While all analysis conducted has been thorough and consistent with industry best practices, no amount of analysis can consider every conceivable variable in the market place. Similarly, no housing policy can be made to account for every variable that may exist. The above table provides

the recommended parameters for an inclusionary housing policy that can be easily and cost effectively implemented. It is based on thorough analysis while also representing a reasonable fit for the most likely to occur development scenarios. Furthermore, it seeks to incentivize the development of smaller units, which are most likely to be used as local residential housing stock.

Unlike the large-scale residential development projects common in many other cities, most market-rate residential development in the City consists of the construction of a single home or perhaps a small residential development. As such, most projects would not be large enough to trigger on-site mitigation and would by default be subject to the in-lieu fee. However, for projects that are large enough to potentially provide on-site mitigation, staff recommends that ability to do so at the above noted percentage corresponding with the size of the unit constructed.

Upon receiving direction from City Council on this framework and rate structure, a complete draft of the ordinance will be presented for consideration for adoption.

This analysis includes only that related to inclusionary housing. Further analysis and recommendations on a commercial linkage fee policy is scheduled to be provided at the September 12th Council meeting.

Financial Implications:

Due to market variations and lacking an exact inclusionary housing policy proposal, it is not possible to precisely forecast revenue generation. However, the analysis made a thorough attempt at providing the best possible estimate. To do so, the analysis used an average of $6.00 per square foot to represent the net financing gap associated with providing inclusionary units and an average of $16 per square foot to represent the full cost of providing inclusionary units.

Applying each of these in-lieu fees uniformly across all development types is estimated to generate annual revenue ranging from $355,000 (based on $6.00 per Sq. Ft.) to $950,000 (based on $16.00 per Sq. Ft.). The recommended inclusionary policy is a hybrid scenario that seeks to strike a balance between generating revenue and incentivizing smaller residential development that is more likely to be used as local resident housing. As such, potential revenue generation is anticipated to fall in between this range. A more precise revenue estimate can be completed once an exact inclusionary housing policy is known.

Environmental Considerations:

The recommendation in this report is not a project under CEQA, because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Sections 15378(b)(2) and 15378(b)(4) and is, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Policy Implications:

The recommended action is consistent with City Strategic Plan Action Item 1.3.5: *Establish a local discretionary funding source to leverage access to and increase competitiveness for outside funds, and implement Council direction to conduct outreach to analyze vacancy tax and transient occupancy tax funding sources.*

The recommended action is also consistent with the following adopted policies and programs:

City General Plan Housing Element

Policy 1-1. The City shall adopt programs, ordinances, incentives, land use plans and other regulatory mechanisms that provide opportunities for the private sector to address the housing needs of citizens of all economic levels.

Policy 2-5. The City shall recognize that it will become difficult to attract employees if they cannot afford to purchase or rent housing in South Lake Tahoe. The City shall encourage and support programs and activities that create a robust local economy that provides residents with good paying employment and the means to purchase and/or rent housing in the City.

Memorandum

To: Hilary Roverud, Development Services Director, City of South Lake Tahoe
Zachary Thomas, Housing Manager, City of South Lake Tahoe
Jessica Wackenhut, Associate Housing Planner, City of South Lake Tahoe

From: Aaron Nousaine, MCRP, Principal, BAE Urban Economics

Date: July 27, 2023

Re: Supplemental Analysis for a Tiered Residential Inclusionary Housing Ordinance

---

Following completion of the revised *Analysis of Local Funding Source(s) for Housing Initiatives* report on January 20, 2023 and the *Supplemental Residential Nexus* analysis memorandum on March 2, 2023, the City of South Lake Tahoe commissioned additional analysis regarding options for establishing a residential inclusionary housing ordinance with a tiered structure based on the size or value of the market rate property.

Unit Size vs. Unit Value

During City Council deliberation of potential funding sources, including the option to establish a new inclusionary housing policy, some members of Council expressed interest in an inclusionary housing ordinance with multiple thresholds based on project value or unit size. BAE recommends basing an inclusionary housing ordinance on unit size and not on value.

In most cases where local governments apply tiered inclusionary housing requirements, the difference between each tier is typically defined based on housing type (i.e., detached single-family, attached duplexes or triplexes, and townhomes or stacked flats, versus multifamily apartments or condominiums) and/or tenure (i.e., is it rental or ownership housing). In the event that the City elected to implement an inclusionary housing policy based on project value, the City would either need to rely on the developer's estimates of project value in order to assess an inclusionary housing in-lieu fee upon issuance of building permits, or the City would need to wait until project completion and issuance of a final assessment by El Dorado County.

Most jurisdictions structure inclusionary housing requirements and in-lieu fees on a per unit or per square foot basis, which allows the jurisdiction to require payment of the in-lieu fee at issuance of the building permit or prior to issuance of the certificate of occupancy. BAE recommends that the City of South Lake Tahoe do this also. This provides a greater

inducement for the timely payment of in-lieu fees since the jurisdiction could otherwise withhold the needed permits. Postponing payment of the in-lieu fee until the unit is finished increases the risk of non-payment. If non-payment does occur, the jurisdiction would then need to take action against the property owner, potentially culminating in a lean being placed on the property. The possible cost to the jurisdiction to collect unpaid and delinquent in-lieu payments fee could be significant, both in dollars and missed opportunities.

Updated Informational Nexus Analysis

The following section provides updated nexus analyses which align with a tiered inclusionary housing policy structure for single-family homes based on the square footage of the market rate unit. This section also provides nexus calculations for multifamily rental apartments, as well as two different nexus scenarios for for-sale residential condominium units.

Single-Family Housing

Based on direction provided by the City of South Lake Tahoe, the nexus analysis for single-family for-sale housing is based on the following size categories:

- Under 2,000 sq. ft.
- 2,001-2,500 sq. ft.
- 2,501-3,000 sq. ft
- 3,001-5,000 sq. ft.
- Over 5,000 sq. ft.

Household Spending

To identify pricing and unit size assumptions that align with the five categories identified above, BAE evaluated the characteristics of new homes built within the City of South Lake Tahoe in 2022 and in January through June of 2023. This included evaluation of assessed value as well as market sale prices for properties that have changed hands since construction. Table 1 reports the per unit sale price, square footage, and average sale price per square footage for properties within each category that is then used as the basis for the analysis. Due to changes in interest rates, which have increased since the prior analysis, the estimated household income required to purchase a housing unit has increased at all levels. The figures, therefore, do not match those presented in prior analyses.

Induced Employment

Table 2 reports the supported by household spending associated with newly built single-family homes. The estimates were generated using the Impacts for Planning (IMPLAN) economic impact model based on data from June 2023. The employment estimates presented here differ from those presented in prior analyses. Due to the limited impacts per household, the analysis calculates impacts of 100 households and per unit. To the extent that housing units are occupied less than full-time, the impacts may be less than analyzed here.

Table 1: Income Required to Purchase a Newly Built Single-Family For-Sale Home

Under 2,000 Sq. Ft.	
Estimated Sale Price, New Units (a)	$500,000
Square Feet (Sq. Ft.)	1,511
Price Per Sq. Ft.	$331
Monthly Housing Cost, New units (b)	$3,316
Annual Housing Cots	$39,794
Household Income Required (c)	$132,648
Number of Household in Development (d)	100
Aggregate Household Income (Millions)	$13.26

2,001-2,500 Sq. Ft.	
Estimated Sale Price, New Units (a)	$1,000,000
Square Feet (Sq. Ft.)	2,326
Price Per Sq. Ft.	$430
Monthly Housing Cost, New units (b)	$6,632
Annual Housing Cots	$79,589
Household Income Required (c)	$265,296
Number of Household in Development (d)	100
Aggregate Household Income (Millions)	$26.5

2,501-3,000 Sq. Ft.	
Estimated Sale Price, New Units (a)	$1,200,000
Square Feet (Sq. Ft.)	2,526
Price Per Sq. Ft.	$475
Monthly Housing Cost, New units (b)	$7,959
Annual Housing Cots	$95,507
Household Income Required (c)	$318,356
Number of Household in Development (d)	100
Aggregate Household Income (Millions)	$31.8

3,001-5,000 Sq. Ft.	
Estimated Sale Price, New Units (a)	$1,715,900
Square Feet (Sq. Ft.)	3,612
Price Per Sq. Ft.	$475
Monthly Housing Cost, New units (b)	$11,381
Annual Housing Cots	$136,567
Household Income Required (c)	$455,222
Number of Household in Development (d)	100
Aggregate Household Income (Millions)	$45.5

Over 5,000 Sq. Ft.	
Estimated Sale Price, New Units (a)	$3,125,000
Square Feet (Sq. Ft.)	$6,250
Price Per Sq. Ft.	$500
Monthly Housing Cost, New units (b)	$20,726
Annual Housing Cots	$248,715
Household Income Required (c)	$829,051
Number of Household in Development (d)	100
Aggregate Household Income (Millions)	$82.9

Notes:
(a) Represents the estimated value of a newly constructed homes in South Lake Tahoe in 2022 and 2023.
(b) Monthly ownership costs are based on the following assumptions:

Annual Interest Rate - 7.25%
Loan Term (Years) - 30 years
Down Payment (% of Sale Price) - 20%
Property Tax (Annual) - 1.0%
Homeowners Insurance (% of Sale Price) - 0.4%

(c) Assumes that housing costs do not exceed 30 percent of household income.
(d) This assumes that the hypothetical development project contains a total of 10 units. This assumption provides for ease of analysis and does not impact the results of the analysis.

Sources: ListSource; Mortgage Brokers; California Department of Insurance, Homeowners Premium Survey; BAE, 2023.

Table 2: Estimated Impacts Per 100 New Market Rate Single-Family For-Sale Units

2,000 Sq. Ft. or Under

Impact Type	Employment	Labor Income	Value Added	Output
Direct	0.0	$0	$0	$0
Indirect	0.0	$0	$0	$0
Induced	9.2	$433,731	$782,698	$1,298,709
Total	**9.2**	**$433,731**	**$782,698**	**$1,298,709**
Per Job	*1.0*	*$47,090*	*$84,976*	*$140,999*
Per Unit	*0.09*	*$4,337*	*$7,827*	*$12,987*

2,001-2,500 Sq. Ft.

Impact Type	Employment	Labor Income	Value Added	Output
Direct	0.0	$0	$0	$0
Indirect	0.0	$0	$0	$0
Induced	12	$543,239	$1,002,056	$1,627,134
Total	**12**	**$543,239**	**$1,002,056**	**$1,627,134**
Per Job	*1*	*$44,942*	*$82,900*	*$134,613*
Per Unit	*0.12*	*$5,432*	*$10,021*	*$16,271*

2,501-3,000 Sq. Ft.

Impact Type	Employment	Labor Income	Value Added	Output
Direct	0.0	$0	$0	$0
Indirect	0.0	$0	$0	$0
Induced	15	$651,887	$1,202,467	$1,952,561
Total	**15**	**$651,887**	**$1,202,467**	**$1,952,561**
Per Job	*1*	*$44,942*	*$82,900*	*$134,613*
Per Unit	*0.15*	*$6,519*	*$12,025*	*$19,526*

3,001-5,000 Sq. Ft.

Impact Type	Employment	Labor Income	Value Added	Output
Direct	0.0	$0	$0	$0
Indirect	0.0	$0	$0	$0
Induced	21	$932,145	$1,719,428	$2,791,999
Total	**21**	**$932,145**	**$1,719,428**	**$2,791,999**
Per Job	*1*	*$44,942*	*$82,900*	*$134,613*
Per Unit	*0.21*	*$9,321*	*$17,194*	*$27,920*

Greater Than 5,000 Sq. Ft.

Impact Type	Employment	Labor Income	Value Added	Output
Direct	0	$0	$0	$0
Indirect	0	$0	$0	$0
Induced	38	$1,697,623	$3,131,425	$5,084,793
Total	**38**	**$1,697,623**	**$3,131,425**	**$5,084,793**
Per Job	*1*	*$44,942*	*$82,900*	*$134,613*
Per Unit	*0.38*	*$16,976*	*$31,314*	*$50,848*

Notes:
(a) Based on estimated household spending associated with 100 households, as reported in Table 1.

Sources: Impacts for Planning (IMPLAN) Economic Impact Model; BAE, 2023.

Induced Workforce Housing Demand

Table 3 converts the induced employment estimates reported in Table 2 based on estimates of the average number of workers per household to reflect the number of workforce households that are support based on new household spending, both per 100 new market rate units and per new market rate unit. According to this data, new household spending associated with the introduction of one new market rate for-sale housing unit in South Lake Tahoe can generate demand for up to 0.09 to 0.38 new jobs in South Lake Tahoe. Across all income levels, this equals demand for 0.6 to 0.23 new workforce housing units. Excluding demand among higher income workforce households, who are assumed to be able to afford market rate housing independently, household spending associated with one new market rate for-sale unit can generate demand for up to 0.04 to 0.23 new workforce units.

Equivalent In-Lieu Fee

Based on the induced workforce housing demand summarized in Table 3, Table 4 estimates an in-lieu fee that would be economically equivalent to providing housing equal to the induced workforce housing demand generated by creation of a new for-sale housing unit. The equivalent in-lieu fee is equal to the induced workforce housing demand by income level multiplied by the net financing gap (i.e., the gap between the sale price that is affordable at each income subtracted from the total cost of providing the unit) associated with providing the required housing. Based on this approach, the in-lieu fee that would represent an equivalent economic value may range from $26,785 to $110,319, if based on the full cost of providing inclusionary housing units, or from $9,314 to $38,424, if based only on the net gap.

While many communities apply inclusionary housing in-lieu fees on a per market rate unit basis, as described above, industry professionals often recommend structuring in-lieu fees to align with the size of the market rate unit on a per square foot basis. This allows greater generalizability and provides an incentive to develop smaller market rate units. To illustrate this, Table 4 also reports the equivalent in-lieu fee per square foot of new market rate development, estimated using the average square footage for housing units built within each size classification reported in Table 1. BAE estimates that the equivalent per square foot in-lieu fee varies little between size classifications, from $5.29 per market rate square foot to a maximum of $6.17, and an average of $5.86 per square foot, when calculated based on the net financing gap, and from a minimum of $15.18 to a maximum of $17.73, and an average of $16.82, when based on the total cost of providing inclusionary housing units.

Table 3: Induced Employment and Workforce Housing Demand by Income Level
(Page 1 of 2)

2,000 Sq. Ft. or Under

Household Income Level	Jobs (a)	Ave. Workers Per Household (b)	Est. Worker Households Per 100 Mrkt. Units	Est. Worker Households Per Mrkt. Unit
Extremely Low (30% AMI)	0.4	1.1	0.4	0.00
Very Low (50% AMI)	0.6	1.3	0.5	0.00
Low (80% AMI)	1.5	1.5	1.0	0.01
Moderate (120% AMI)	2.1	1.7	1.2	0.01
MF Achievable (125% AMI)	0.2	1.8	0.1	0.00
SF Achievable (180% AMI)	1.6	1.8	0.9	0.01
Higher Income (>180% AMI)	2.9	1.9	1.5	0.01
Total	**9.2**	**1.7**	**5.5**	**0.06**

2,001-2,500 Sq. Ft.

Household Income Level	Jobs (a)	Ave. Workers Per Household (b)	Est. Worker Households Per 100 Mrkt. Units	Est. Worker Households Per Mrkt. Unit
Extremely Low (30% AMI)	0.5	1.1	0.5	0.00
Very Low (50% AMI)	0.8	1.3	0.6	0.01
Low (80% AMI)	2.0	1.5	1.3	0.01
Moderate (120% AMI)	2.8	1.7	1.6	0.02
MF Achievable (125% AMI)	0.2	1.8	0.1	0.00
SF Achievable (180% AMI)	2.0	1.8	1.1	0.01
Higher Income (>180% AMI)	3.7	1.9	1.9	0.02
Total	**12.1**	**1.7**	**7.3**	**0.07**

2,501-3,000 Sq. Ft.

Household Income Level	Jobs (a)	Ave. Workers Per Household (b)	Est. Worker Households Per 100 Mrkt. Units	Est. Worker Households Per Mrkt. Unit
Extremely Low (30% AMI)	0.6	1.1	0.6	0.01
Very Low (50% AMI)	1.0	1.3	0.8	0.01
Low (80% AMI)	2.3	1.5	1.6	0.02
Moderate (120% AMI)	3.3	1.7	1.9	0.02
MF Achievable (125% AMI)	0.3	1.8	0.2	0.00
SF Achievable (180% AMI)	2.4	1.8	1.4	0.01
Higher Income (>180% AMI)	4.5	1.9	2.3	0.02
Total	**14.5**	**1.7**	**8.7**	**0.09**

3,001-5,000 Sq. Ft.

Household Income Level	Jobs (a)	Ave. Workers Per Household (b)	Est. Worker Households Per 100 Mrkt. Units	Est. Worker Households Per Mrkt. Unit
Extremely Low (30% AMI)	0.9	1.1	0.8	0.01
Very Low (50% AMI)	1.4	1.3	1.1	0.01
Low (80% AMI)	3.4	1.5	2.3	0.02
Moderate (120% AMI)	4.8	1.7	2.8	0.03
MF Achievable (125% AMI)	0.4	1.8	0.2	0.00
SF Achievable (180% AMI)	3.5	1.8	1.9	0.02
Higher Income (>180% AMI)	6.4	1.9	3.3	0.03
Total	**20.7**	**1.7**	**12.5**	**0.12**

- Continued on Next Page -

Sources: IMPLAN; U.S. Census Bureau, Public Use Microdata Sample (PUMS); BAE, 2023.

Table 3: Induced Employment and Workforce Housing Demand by Income Level (Page 2 of 2)

Greater Than 5,000 Sq. Ft.

Household Income Level	Jobs (a)	Ave. Workers Per Household (b)	Est. Worker Households Per 100 Mrkt. Units	Est. Worker Households Per Mrkt. Unit
Extremely Low (30% AMI)	1.7	1.1	1.5	0.02
Very Low (50% AMI)	2.6	1.3	2.0	0.02
Low (80% AMI)	6.1	1.5	4.1	0.04
Moderate (120% AMI)	8.7	1.7	5.0	0.05
MF Achievable (125% AMI)	0.7	1.8	0.4	0.00
SF Achievable (180% AMI)	6.4	1.8	3.5	0.04
Higher Income (>180% AMI)	11.7	1.9	6.1	0.06
Total	**37.8**	**1.7**	**22.7**	**0.23**

Notes:
(a) Based on the distribution of induced jobs industry sector, as reported by IMPLAN based on household spending associated with households at different income levels, as reported in Table 1, combined with the distribution of workers by industry and household income, as reported in the Public Use Microdata Sample (PUMS) for the greater South Lake Tahoe area.
(b) Based on the distribution of workers by industry sector, income level, and household size, as reported in the PUMS.

Sources: IMPLAN; U.S. Census Bureau, Public Use Microdata Sample (PUMS); BAE, 2023.

Table 4: Estimated Financing Gap and Equivalent In-Lieu Fee (Page 1 of 2)

2,000 Sq. Ft. or Under

Household Income Level	New Workforce *Housing Demand Per New Market Rate Unit* (a)	Estimated Cost Per Workforce Unit (b) Net Gap	Estimated Cost Per Workforce Unit (b) Total Cost	Equiv. In-Lieu Fee Per Market Rate Unit (c) Net Gap	Equiv. In-Lieu Fee Per Market Rate Unit (c) Total Cost
Extremely Low (30% AMI)	0.004	$551,912	$825,227	$2,064.82	$3,087
Very Low (50% AMI)	0.005	$489,556	$825,227	$2,411.47	$4,065
Low (80% AMI)	0.010	$395,346	$825,227	$3,905.04	$8,151
Moderate (120% AMI)	0.012	$58,805	$450,000	$720.74	$5,515
MF Achievable (125% AMI)	0.001	$41,693	$450,000	$37.34	$403
SF Achievable (180% AMI)	0.009	$20,200	$642,500	$174.90	$5,563
Total	**0.040**			**$9,314**	**$26,785**
			Per Sq. Ft. (d)	*$6.17*	*$17.73*

2,001-2,500 Sq. Ft.

Household Income Level	New Workforce *Housing Demand Per New Market Rate Unit* (a)	Estimated Cost Per Workforce Unit (b) Net Gap	Estimated Cost Per Workforce Unit (b) Total Cost	Equiv. In-Lieu Fee Per Market Rate Unit (c) Net Gap	Equiv. In-Lieu Fee Per Market Rate Unit (c) Total Cost
Extremely Low (30% AMI)	0.005	$551,912	$825,227	$2,725.61	$4,075
Very Low (50% AMI)	0.006	$489,556	$825,227	$3,141.78	$5,296
Low (80% AMI)	0.013	$395,346	$825,227	$5,203.71	$10,862
Moderate (120% AMI)	0.016	$58,805	$450,000	$943.04	$7,217
MF Achievable (125% AMI)	0.001	$41,693	$450,000	$52.61	$568
SF Achievable (180% AMI)	0.011	$20,200	$642,500	$229.02	$7,284
Total	**0.053**			**$12,296**	**$35,302**
			Per Sq. Ft. (d)	*$5.29*	*$15.18*

- Continued on Next Page -

Sources: IMPLAN; U.S. Census Bureau, Public Use Microdata Sample (PUMS); BAE, 2023.

Table 4: Estimated Financing Gap and Equivalent In-Lieu Fee (Page 2 of 2)

2,501-3,000 Sq. Ft.

Household Income Level	New Workforce *Housing Demand Per New Market Rate Unit* (a)	Estimated Cost Per Workforce Unit (b)		Equiv. In-Lieu Fee Per Market Rate Unit (c)	
		Net Gap	Total Cost	Net Gap	Total Cost
Extremely Low (30% AMI)	0.006	$551,912	$825,227	$3,271	$4,890
Very Low (50% AMI)	0.008	$489,556	$825,227	$3,770	$6,355
Low (80% AMI)	0.016	$395,346	$825,227	$6,244	$13,034
Moderate (120% AMI)	0.019	$58,805	$450,000	$1,132	$8,660
MF Achievable (125% AMI)	0.002	$41,693	$450,000	$63	$681
SF Achievable (180% AMI)	0.014	$20,200	$642,500	$275	$8,741
Total	**0.064**			**$14,755**	**$42,363**
			Per Sq. Ft. (d)	*$5.84*	*$16.77*

3,001-5,000 Sq. Ft.

Household Income Level	New Workforce *Housing Demand Per New Market Rate Unit* (a)	Estimated Cost Per Workforce Unit (b)		Equiv. In-Lieu Fee Per Market Rate Unit (c)	
		Net Gap	Total Cost	Net Gap	Total Cost
Extremely Low (30% AMI)	0.008	$551,912	$825,227	$4,677	$6,993
Very Low (50% AMI)	0.011	$489,556	$825,227	$5,391	$9,087
Low (80% AMI)	0.023	$395,346	$825,227	$8,929	$18,638
Moderate (120% AMI)	0.028	$58,805	$450,000	$1,618	$12,383
MF Achievable (125% AMI)	0.002	$41,693	$450,000	$90	$974
SF Achievable (180% AMI)	0.019	$20,200	$642,500	$393	$12,499
Total	**0.091**			**$21,098**	**$60,575**
			Per Sq. Ft. (d)	*$5.84*	*$16.77*

Greater Than 5,000 Sq. Ft.

Household Income Level	New Workforce *Housing Demand Per New Market Rate Unit* (a)	Estimated Cost Per Workforce Unit (b)		Equiv. In-Lieu Fee Per Market Rate Unit (c)	
		Net Gap	Total Cost	Net Gap	Total Cost
Extremely Low (30% AMI)	0.015	$551,912	$825,227	$8,518	$12,736
Very Low (50% AMI)	0.020	$489,556	$825,227	$9,818	$16,550
Low (80% AMI)	0.041	$395,346	$825,227	$16,262	$33,944
Moderate (120% AMI)	0.050	$58,805	$450,000	$2,947	$22,552
MF Achievable (125% AMI)	0.004	$41,693	$450,000	$164	$1,774
SF Achievable (180% AMI)	0.035	$20,200	$642,500	$716	$22,764
Total	**0.166**			**$38,424**	**$110,319**
			Per Sq. Ft. (d)	*$6.15*	*$17.65*

Notes:
(a) Represents the estimated new workforce housing demand by income level generated by household spending associated with a newly constructed housing unit reported in Table 1.
(b) Reflects the estimated total cost and net financing gap associated with providing housing at each income level. Housing targeted for occupancy at 80 percent of AMI or below is assumed to be new construction funded using state and federal tax credits. Housing occupied by households in the moderate-income (81-120 percent of AMI) and multifamily achievable (121-125 percent of AMI) income categories is assumed to be newly constructed market rate multifamily rental housing. Housing occupied by households in the single-family achievable (126-180 percent of AMI) income category is assumed to be existing single-family resale inventory.
(c) Equal to the induced workforce housing demand per new market rate unit multiplied by the total cost or net financing gap at each income level.
(d) Based on the assumed square footage per unit reported in Table 1.

Sources: IMPLAN; U.S. Census Bureau, Public Use Microdata Sample (PUMS); BAE, 2023.

Multifamily Housing

In addition to the single-family housing categories discussed above, the City of South Lake Tahoe requested nexus analysis for multifamily rental housing, as well as for-sale multifamily condominium units, which function differently from an economic perspective than single-family homes. For the purposes of this research, BAE analyzed the nexus associated with a 968 square foot mid-market condominium priced at $605,100 and a 1,600 square foot high-end condominium unit priced at $2.9 million.

Household Spending

Table 5 reports the income needed to afford an average priced multifamily rental housing unit in South Lake Tahoe, while Table 6 reports the income needed to purchase a mid-market and high-end condominium. These range from an income of $74,720 per year needed to afford a market rate multifamily rental to nearly $811,000 per year for a high-end condominium unit.

Induced Employment

Table 7 reports the direct, indirect, and induced employment supported based on occupancy of newly constructed multifamily housing units in the City of South Lake Tahoe. To the extent that housing units are occupied less than full-time, the impacts may be less than reported.

Induced Workforce Housing Demand

Table 8 converts the induced employment estimates reported in Table 6 based on estimates of the average number of workers per household to reflect the number of workforce households that are support based on new household spending, both per 100 new market rate units and per new market rate unit.

Equivalent In-Lieu Fee

Table 9 estimates an in-lieu fee for multifamily development projects that would be economically equivalent to providing housing sufficient to meet the induced workforce housing demand. The in-lieu fee for multifamily rental housing that would represent an equivalent economic value may reasonably range from $6,115 per market rate unit, or $7.64 per square foot, if only accounting for the net financing gap, to $17,813 per unit, or $22.27 per square foot, if accounting for the full cost of developing the required housing. For mid-market condominium units, the equivalent in-lieu fee would range from $12,409 per unit, or $12.82 per square foot, to $35,790 per unit, or $36.97 per square foot if accounting for the full cost of constructing inclusionary units. For high-end condominiums, he equivalent in-lieu fee would range from $37,586 per unit, or $23.49 per square foot, if accounting for only the net financing gap, to $107,912 per unit, or $67.44 per square foot, if accounting for the full cost of constructing housing to meet induced workforce demand.

Table 5: Income Required to Rent a Newly Built Multifamily Rental Apartment

Square Feet	800
Rent Per Sq. Ft.	2.60
Average Monthly Rent (a)	$2,079
Utility Cost (b)	$132
Monthly Housing Costs for New Unit	$2,211
Annual Housing Costs	$26,534
Household Income Required (c)	$88,448
Number of Households in Development	100
Aggregate Household Income (Millions)	$8,844,800

Notes:
(a) Based on the projected market rent for a newly constructed two-bedroom unit.
(b) Based on the El Dorado County utility allowance two-bedroom apartments in South Lake Tahoe.
(c) Assumes that housing costs do not exceed: 30% of income

Sources: CoStar; El Dorado County, Public Housing Authority, Utility Allowances, Band South Lake Tahoe; BAE, 2023.

Table 6: Income Required to Purchase Newly Built High-End Condominiums

Mid-Market Condominium		High-End Condominium	
Estimated Sale Price, New Units (a)	$605,100	Estimated Sale Price, New Units (d)	$2,900,000
Square Feet (Sq. Ft.)	968	Square Feet (Sq. Ft.)	1,600
Price Per Sq. Ft.	$625	Price Per Sq. Ft.	$1,813
Monthly Housing Cost, New units (b)	$4,642	Monthly Housing Cost, New units (b)	$20,274
Annual Housing Cost	$55,710	Annual Housing Cost	$243,288
Household Income Required (c)	$185,699	Household Income Required (c)	$810,960
Number of Household in Development	100	Number of Household in Development	100
Aggregate Household Income (Millions)	$18.57	Aggregate Household Income (Millions)	$81

Notes:
(a) Represents the estimated value of a newly constructed high-end condominium in South Lake Tahoe in 2023.
(b) Monthly ownership costs are based on the following assumptions:

Annual Interest Rate - 7.25%
Loan Term (Years) – 30 years
Down Payment (% of Sale Price) - 20%
Property Tax (Annual) - 1.0%
Homeowners Insurance (% of Sale Price) - 0.4%
Homeowners' Association
Mid-Market – $629 month
High-End - $1,040 month

(c) Assumes that housing costs do not exceed 30 percent of household income.
(d) Represents the estimated value of a newly constructed high-end condominium in South Lake Tahoe in 2023.

Sources: ListSource; Mortgage Brokers; California Department of Insurance, Homeowners Premium Survey; BAE, 2023.

Table 7: Estimated Impacts Per 100 New Market Rate Multifamily Rental Apartments and Condominiums

Multifamily Rental Apartments

Impact Type	Employment	Labor Income	Value Added	Output
Direct	0.0	$0	$0	$0
Indirect	0.0	$0	$0	$0
Induced	6.2	$304,337	$525,136	$869,337
Total	**6.2**	**$304,337**	**$525,136**	**$869,337**
Per Job	*1.0*	*$49,065*	*$84,661*	*$140,153*
Per Unit	*0.06*	*$3,043*	*$5,251*	*$8,693*

Mid-Market Condominium

Impact Type	Employment	Labor Income	Value Added	Output
Direct	0.0	$0	$0	$0
Indirect	0.0	$0	$0	$0
Induced	12	$602,780	$1,061,974	$1,754,588
Total	**12**	**$602,780**	**$1,061,974**	**$1,754,588**
Per Job	*1.0*	*$48,790*	*$85,958*	*$142,019*
Per Unit	*0.12*	*$6,028*	*$10,620*	*$17,546*

High-End For-Sale Condominiums

Impact Type	Employment	Labor Income	Value Added	Output
Direct	0.0	$0	$0	$0
Indirect	0.0	$0	$0	$0
Induced	37	$1,660,577	$3,063,090	$4,973,832
Total	**37**	**$1,660,577**	**$3,063,090**	**$4,973,832**
Per Job	*1.0*	*$44,942*	*$82,900*	*$134,613*
Per Unit	*0.37*	*$16,606*	*$30,631*	*$49,738*

Note:
(a) Based on estimated household spending associated with 100 households, as reported in Tables 5 and 6.

Sources: IMPLAN; BAE, 2023.

Table 8: Induced Employment and Workforce Housing Demand by Income Level

Multifamily Rental Apartments

Household Income Level	Jobs (a)	Ave. Workers Per Household (b)	Est. Worker Households Per 100 Mrkt. Units	Est. Worker Households Per Mrkt. Unit
Extremely Low (30% AMI)	0.3	1.1	0.2	*0.00*
Very Low (50% AMI)	0.4	1.3	0.3	*0.00*
Low (80% AMI)	1.0	1.5	0.7	*0.01*
Moderate (120% AMI)	1.4	1.7	0.8	*0.01*
MF Achievable (125% AMI)	0.1	1.8	0.1	*0.00*
SF Achievable (180% AMI)	1.1	1.8	0.6	*0.01*
Higher Income (>180% AMI)	2.0	1.9	1.0	*0.01*
Total	**6.2**	**1.7**	**3.7**	***0.04***
Per Unit	*0.06*			

Mid-Market Condominium

Household Income Level	Jobs (a)	Ave. Workers Per Household (b)	Est. Worker Households Per 100 Mrkt. Units	Est. Worker Households Per Mrkt. Unit
Extremely Low (30% AMI)	0.5	1.1	0.5	*0.005*
Very Low (50% AMI)	0.8	1.3	0.7	*0.007*
Low (80% AMI)	2.0	1.5	1.3	*0.013*
Moderate (120% AMI)	2.8	1.7	1.6	*0.016*
MF Achievable (125% AMI)	0.2	1.8	0.1	*0.001*
SF Achievable (180% AMI)	2.1	1.8	1.2	*0.012*
Higher Income (>180% AMI)	3.9	1.9	2.0	*0.020*
Total	**12.4**	**1.7**	**7.4**	*0.074*
Per Unit	*0.12*			

High-End For-Sale Condominiums

Household Income Level	Jobs (a)	Ave. Workers Per Household (b)	Est. Worker Households Per 100 Mrkt. Units	Est. Worker Households Per Mrkt. Unit
Extremely Low (30% AMI)	1.6	1.1	1.5	*0.02*
Very Low (50% AMI)	2.5	1.3	2.0	*0.02*
Low (80% AMI)	6.0	1.5	4.0	*0.04*
Moderate (120% AMI)	8.5	1.7	4.9	*0.05*
MF Achievable (125% AMI)	0.7	1.8	0.4	*0.00*
SF Achievable (180% AMI)	6.2	1.8	3.5	*0.03*
Higher Income (>180% AMI)	11.4	1.9	5.9	*0.06*
Total	**36.9**	**1.7**	**22.2**	***0.22***
Per Unit	*0.37*			

Notes:
(a) Based on the distribution of induced jobs, as reported in Table 7, combined with PUMS data.
(b) Based on the distribution of workers by industry sector, income level, and household size, as reported in the PUMS.

Sources: IMPLAN; U.S. Census Bureau, Public Use Microdata Sample (PUMS); BAE, 2023.

Table 9: Estimated Financing Gap and Equivalent In-Lieu Fee

Multifamily Rental Apartments

Household Income Level	New Workforce *Housing Demand Per New Market Rate Unit* (a)	Estimated Cost Per Workforce Unit (b)		Equiv. In-Lieu Fee Per Market Rate Unit (c)	
		Net Gap	Total Cost	Net Gap	Total Cost
Extremely Low (30% AMI)	0.002	$551,912	$825,227	$1,323	$1,978
Very Low (50% AMI)	0.003	$489,556	$825,227	$1,519	$2,561
Low (80% AMI)	0.007	$395,346	$825,227	$2,645	$5,521
Moderate (120% AMI)	0.008	$58,805	$450,000	$482	$3,690
MF Achievable (125% AMI)	0.001	$41,693	$450,000	$27	$297
SF Achievable (180% AMI)	0.006	$20,200	$642,500	$118	$3,766
Total	**0.027**			**$6,115**	**$17,813**
			Per Sq. Ft. (d)	*$7.64*	*$22.27*

Mid-Market Condominium

Household Income Level	New Workforce *Housing Demand Per New Market Rate Unit* (a)	Estimated Cost Per Workforce Unit (b)		Equiv. In-Lieu Fee Per Market Rate Unit (c)	
		Net Gap	Total Cost	Net Gap	Total Cost
Extremely Low (30% AMI)	0.005	$551,912	$825,227	$2,671	$3,994
Very Low (50% AMI)	0.007	$489,556	$825,227	$3,200	$5,394
Low (80% AMI)	0.013	$395,346	$825,227	$5,291	$11,045
Moderate (120% AMI)	0.016	$58,805	$450,000	$960	$7,349
MF Achievable (125% AMI)	0.001	$41,693	$450,000	$53	$571
SF Achievable (180% AMI)	0.012	$20,200	$642,500	$234	$7,437
Total	**0.054**			**$12,409**	**$35,790**
			Per Sq. Ft. (e)	*$12.82*	*$36.97*

High-End For-Sale Condominiums

Household Income Level	New Workforce *Housing Demand Per New Market Rate Unit* (a)	Estimated Cost Per Workforce Unit (b)		Equiv. In-Lieu Fee Per Market Rate Unit (c)	
		Net Gap	Total Cost	Net Gap	Total Cost
Extremely Low (30% AMI)	0.015	$551,912	$825,227	$8,332	$12,458
Very Low (50% AMI)	0.020	$489,556	$825,227	$9,604	$16,189
Low (80% AMI)	0.040	$395,346	$825,227	$15,907	$33,203
Moderate (120% AMI)	0.049	$58,805	$450,000	$2,883	$22,060
MF Achievable (125% AMI)	0.004	$41,693	$450,000	$161	$1,736
SF Achievable (180% AMI)	0.035	$20,200	$642,500	$700	$22,267
Total	**0.162**			**$37,586**	**$107,912**
			Per Sq. Ft. (d)	*$23.49*	*$67.44*

Notes:
(a) Represents the estimated new workforce housing demand by income level generated by household spending associated with a newly constructed housing unit reported in Tables 5 and 6.
(b) Reflects the estimated total cost and net financing gap associated with providing housing at each income level. Housing targeted for occupancy at 80 percent of AMI or below is assumed to be new construction funded using state and federal tax credits. Housing occupied by households in the moderate-income (81-120 percent of AMI) and multifamily achievable (121-125 percent of AMI) income categories is assumed to be newly constructed market rate multifamily rental housing. Housing occupied by households in the single-family achievable (126-180 percent of AMI) income category is assumed to be existing single-family resale inventory.
(c) Equal to the induced workforce housing demand per new market rate unit multiplied by the total cost or net financing gap at each income level.
(d) Based on the assumed square footage per unit reported in Tables 5 and 6.

Sources: IMPLAN; U.S. Census Bureau, Public Use Microdata Sample (PUMS); BAE, 2023.

Financial Feasibility Testing

The following section summarizes key assumptions and findings from financial feasibility testing to assess the ability of single-family for-sale housing, multifamily rental apartments, and high-end for-sale condominium units to absorb imposition of an inclusionary housing in-lieu fee requirement.

Development Cost and Revenue Assumptions

The cost and revenue assumptions used for the following financial feasibility analysis are based on those developed for use in the *Analysis of Local Funding Source(s) for Housing Initiatives* report and the *Supplemental Residential Nexus* analysis memorandum. Minor adjustments were made to account for changes to market financing terms, market rate pricing, and to account for differences in local impact and permitting fees.

Single-Family Feasibility

The financial feasibility testing exercise finds that the single-family for-sale housing prototypes are all likely to be financially feasible under current market conditions.

Tables 10 through 14, at the end of this memorandum, illustrate the financial assumptions used to model financial feasibility for each of the five single-family for-sale housing prototypes. Note, however, that the tables show zero cost associated with inclusionary in-lieu fees. To assess the ability of each prototype to absorb additional housing in-lieu fees, BAE conducted sensitivity testing to identify the maximum in-lieu fee amount that each prototype could absorb while maintaining a residual land value of at least one million dollars per acre. The analysis found that the four single-family for-sale housing prototypes that are over 2,000 square feet in size could likely absorb the equivalent in-lieu fee identified in the nexus analysis. The larger prototypes (i.e., over 3,000 square feet) showed the likely ability to absorb an in-lieu fee based on the full cost of constructing inclusionary housing units.

BAE recommends excluding housing units under 2,000 square feet in size from a potential inclusionary housing policy and applying in-lieu fees based on the net financing gap associated with providing affordable and workforce housing, recognizing that the net gap based in-lieu fee represents the most readily defensible value based on the results of the nexus analysis. In the event that the City elects to apply in-lieu fee amounts above those identified based on the net financing gap for inclusionary housing, BAE recommends that the higher fee levels be applied only on larger, higher-end units over 3,000 square feet that are better positioned to absorb the additional cost.

Multifamily Feasibility

The financial feasibility testing exercise for multifamily housing finds that multifamily rental apartments are unlikely to be financially feasible under current market conditions, while market rate condominiums may be financially feasible depending on their market positioning. BAE recommends that rental apartments be exempt from the inclusionary housing policy.

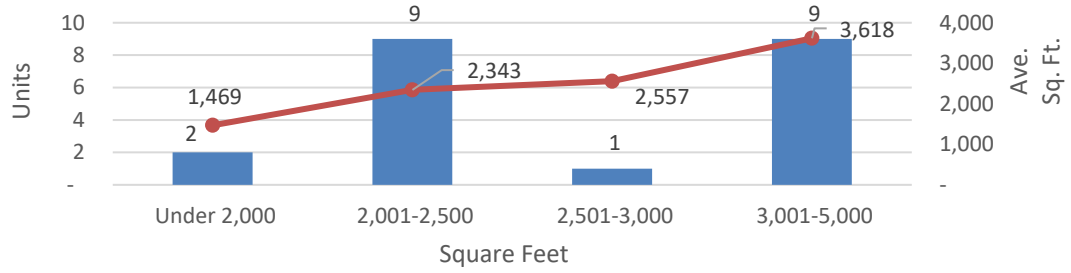
The multifamily condotel/tourist mixed-use prototype analyzed for this research includes 66 residential condominiums that are sized at between 800 and 1,250 square feet. These units are intended to facilitate a condotel operation and are priced at an average of $605,000, which aligns with the mid-market price point used in the nexus analysis. Based on the cost and revenue assumptions presented in Table 16, the project may be expected to yield a positive residual land value of approximately of $8.1 million per acre compared to prevailing land costs of $3.5 to $5.3 million for this property type. Imposition of an inclusionary housing in-lieu fee consistent with those identified in the nexus analysis for mid-market condominiums would equal an additional cost to the builder of $819,198 to $2.4 million, depending on whether the fee is based on the net financing gap or total cost of providing inclusionary units. At these fee levels, the project would likely remain feasible; though the higher fee level coupled with the upper-end cost would leave little margin to adapt to changes in the market. However, additional sensitivity analysis indicates that if the project were restructured to emphasis larger units that maximize the condominium purchase price in line with current asking prices at Zalanta, the project may be able to support additional in-lieu fees in line those identified for high-end condominium as part of the nexus analysis.

Revenue Generation Potential

It is not possible to precisely forecast revenue generation associated with a new inclusionary housing policy in South Lake Tahoe without a more concrete policy proposal.

There were 21 new single-family homes constructed in South Lake Tahoe in 2022, which ranged in size from 1,353 square feet to 4,843 square feet, as illustrated in Figure 1. Only one unit over 5,000 square feet in size was built in 2018, though a number of applications have been submitted to the City for review in recent years. Assuming that the City applied a single inclusionary housing in-lieu fee of approximately $6.00 per square foot, which generally aligns with the net financing gap associated with providing inclusionary units, the City would likely generate approximately $355,000 per year in in-lieu fee revenue, or around $17,000 per new market rate single-family unit. If the City were to apply an in-lieu fee intended to offset the full cost of providing the inclusionary units, the City may consider applying an in-lieu fee of around $16 per square foot, which would generate around $45,000 per market rate unit, and close to $950,000 per year in gross in-lieu fee revenue.

Figure 1: Single-Family For-Sale Units Built in 2022 by Size



Source: El Dorado County Assessor's Office; BAE, 2023.

Multifamily housing development in South Lake Tahoe tends to occur only occasionally, indicating that revenue associated with residential in-lieu fees levied on such projects cannot not be relied upon as an ongoing source of funding for key City priorities, like affordable and workforce housing programs. Based on the feasibility analysis, it nonetheless appears that such projects could potentially absorb an additional in-lieu fee burden. For example, a project with 60 new mid-market condominium units could likely support imposition of a fee of approximately $13 per square foot which could generate nearly $745,000 in total revenue, assuming an average unit size of just under 1,000 square feet. Additional revenue may be achievable if the in-lieu fee were set at a higher level, however, only some projects may be likely to absorb the higher in-lieu fee, which could have a cooling effect on projects that are not positioned at the very top of the local tourist condominium market.

Recommendations

Based on the analysis summarized above, BAE recommends that the City of South Lake Tahoe establish an inclusionary housing policy that applies to for-sale housing, both single-family homes and multifamily condominiums, based on the size of the market rate housing unit(s). BAE recommends exempting units under 2,000 square feet to encourage construction of smaller units and to avoid imposing requirements that would contribute to the increased cost of housing suitable for full-time workforce occupancy. BAE recommends establishing inclusionary percentages based on those identified in the nexus analysis and setting in-lieu fee amounts based on the net financing gap associated with providing inclusionary housing units. If the City elects to set inclusionary percentages or in-lieu fees above these levels, BAE recommends doing so only within the larger size categories that align with larger, higher-end units that are better positioned to absorb the additional cost without resulting in infeasibility.

Exhibit A: Recommended Inclusionary Percentage and In-Lieu Fee Amounts

	Inclusionary Percentage (a)	Fee In-Lieu (b) Net Cost		Total Cost
2,000 Sq. Ft. or Under	Exempt	Exempt		
2,001-2,500 Sq. Ft.	5%	$5.29		n.a.
2,501-3,000 Sq. Ft.	6%	$5.84		n.a.
3,001-5,000 Sq. Ft.	9%	$5.84	or	$16.77
Greater Than 5,000 Sq. Ft.	17%	$6.15	or	$17.65

Notes:
(a) Based on estimated workforce housing demand induced by new household spending.
(b) To be levied based on the size of the market rate housing unit in square feet. The value is based on the net financing gap associated with providing housing at each income level multiplied by the induced workforce housing demand.

Source: BAE, 2023.

Table 10: Pro Forma Financial Feasibility Analysis, Single-Family For-Sale, Under 2,000 Sq. Ft.

Development Program

Site Size (Acres / Sq. Ft.)	0.60	26,136
Net Density (Dwelling Units/Acre)		13
Gross Building Size (Sq. Ft.)		13,168
Building Height (Stories)		1
Site Utilization Factor		50.4%
Floor Area Ratio (Floor Area/Site Size)		0.50
Construction Type		Type 5 - Wood
Unit Detail	**8**	**1,511**
Garage Space (Sq. Ft. Per Unit)		135
Gross Residential Square Feet		**13,168**

Cost and Income Assumptions

Construction		
Site Work Per Site Sq. Ft.		$8
Hard Cost Per Gross Bldg. Sq. Ft.		$195
Garage Parking Costs ($ sq. ft.)		$125
Inclusionary In-Lieu Fee, Per Unit		$0
Soft Costs (% of Hard Costs)		20.0%
Developer Profit (% of Hard and Soft Costs)		15.0%
Operations	Per Sq. Ft.	/ Per Unit
Market Rate Residential Sale Price	$397	$600,000
Marketing Costs (% of Sale Price)		2.0%
Financing		
Loan-to-Cost Ratio		65.0%
Loan Fee (Points)		1.0%
Interest Rate		6.63%
Loan Period (Months)		12
Draw down Factor		65.0%
Total Loan Amount		$2,153,834

Development Cost Analysis

Development Costs		
Site Work	$209,088	
Residential Hard Cost	$2,357,160	
Garage Costs	$16,875	
Land Commodities/Entitlements	$90,000	(a)
Impact & Permitting Fees	$127,218	
Linkage Fee	$0	
Soft Costs	$513,250	
Subtotal Dev. Costs	**$3,313,590**	
Cost Per Unit	$414,199	
Developer Profit	**$497,039**	
Financing		
Interest on Construction Loan	$92,749	
Points on Construction Loan	$21,538	
Subtotal Financing Costs	**$114,288**	
Total Project Costs,	**$3,924,917**	
Cost Per Unit	$490,615	
Cost Per Gross Sq. Ft.	$298	

Feasibility Analysis

Revenue	
Gross Sales Revenue	$4,800,000
Less Marketing Costs	($96,000)
Less Total Project Costs	($3,924,917)
Residual Land Value	**$779,083**
Project Value per Unit	*$97,385*
Residual Land Value/Acre	*$1,298,472*

Note:
(a) The value associated with acquiring residential development rights and required coverage is assumed to be included in the price of the land.
Under this scenario, the builder/property owner is assumed to receive a development allocations directly from TRPA.
(b) Note that the under 2,000 square foot residential prototype is structured as a small multi-unit development with eight units on just over one-half acre, which is consistent with the nature of recent smaller single-family and town home development projects built within the City of South Lake Tahoe in recent years.

Source: BAE, 2023.

Table 11: Pro Forma Financial Feasibility Analysis, Single-Family For-Sale, 2,001-2,500 Sq. Ft.

Development Program Assumptions		
Lot Size (acres/sf)	0.15	6,534
Residential Unit Type	Res. sf	
AVG SFR	2,326	
Residential Gross Area (sf)	2,326	
Sales Transaction Costs as % of Sale Price	1.0%	
Financing		
Loan to Cost Ratio	65%	
Initial Construction Loan Fee (points)	1.0%	
Interest Rate	6.63%	

Cost and Income Assumptions	
Construction	
Site Preparation Costs (per site sf)	$8
Residential Hard Costs (per sf)	$195
Soft Costs (% of Hard Costs)	15%
Value (per sf)	$430
Financing Costs	
Interest on Construction Loan	$15,521
Points on Construction Loan	$4,260
Subtotal Financing Costs	**$19,781**
Period of Initial Loan (Months)	12
Draw down Factor	55%
Total Hard + Soft Costs	$655,324
Total Loan Amount	$425,960
Builder Fee	5%

Development Cost Analysis	
Fees and Exactions	
Land Use Commodities Cost (a)	$0
Linkage Fees	$0
Development Costs	
Site Prep Costs	$52,272
Residential Hard Costs	$453,570
Permit and Impact Fees	$73,605
Soft Costs	$75,876
Subtotal Construction Costs	**$655,324**
Financing	**$19,781**
Total Project Costs	**$675,104**

Residual Land Value Analysis	
Revenues	
Residential Sales Revenue	$1,000,000
Less Transaction Costs	($10,000)
Total Project Value	**$990,000**
Less Total Project Costs	$675,104
Less Builder Fee	$50,000
Residual Land Value	**$264,896**
Residual Land Value/Acre	$1,765,973

Note:
(a) The value associated with acquiring residential development rights and required coverage is assumed to be included in the price of the land.
Under this scenario, the builder/property owner is assumed to receive a development allocation directly from TRPA.

Source: BAE, 2023.

Table 12: Pro Forma Financial Feasibility Analysis, Single-Family For-Sale, 2,501-3,000 Sq. Ft.

Development Program Assumptions		
Lot Size (acres/sf)	0.15	6,534
Residential Unit Type	Res. sf	
AVG SFR	2,526	
Residential Gross Area (sf)	2,526	
Sales Transaction Costs as % of Sale Price	1.0%	
Financing		
Loan to Cost Ratio	65%	
Initial Construction Loan Fee (points)	1.0%	
Interest Rate	6.63%	

Cost and Income Assumptions	
Construction	
Site Preparation Costs (per site sf)	$8
Residential Hard Costs (per sf)	$195
Soft Costs (% of Hard Costs)	15%
Value (per sf)	$475
Financing Costs	
Interest on Construction Loan	$16,606
Points on Construction Loan	$4,557
Subtotal Financing Costs	**$21,163**
Period of Initial Loan (Months)	12
Draw dow n Factor	55%
Total Hard + Soft Costs	$701,130
Total Loan Amount	$455,734
Builder Fee	5%

Development Cost Analysis	
Fees and Exactions	
Land Use Commodities Cost (a)	$0
Linkage Fees	$0
Development Costs	
Site Prep Costs	$52,272
Residential Hard Costs	$492,570
Permit and Impact Fees	$74,561
Soft Costs	$81,726
Subtotal Construction Costs	**$701,130**
Financing	**$21,163**
Total Project Costs	**$722,293**

Residual Land Value Analysis	
Revenues	
Residential Sales Revenue	$1,200,000
Less Transaction Costs	($12,000)
Total Project Value	**$1,188,000**
Less Total Project Costs	$722,293
Less Builder Fee	$60,000
Residual Land Value	**$405,707**
Residual Land Value/Acre	$2,704,714

Note:
(a) The value associated with acquiring residential development rights and required coverage is assumed to be included in the price of the land.
Under this scenario, the builder/property owner is assumed to receive a development allocation directly from TRPA.

Source: BAE, 2023.

Table 13: Pro Forma Financial Feasibility Analysis, Single-Family For-Sale, 3,001-5,000 Sq. Ft.

Development Program Assumptions		
Lot Size (acres/sf)	0.15	6,534
Residential Unit Type	Res. sf	
AVG SFR	3,612	
Residential Gross Area (sf)	3,612	
Sales Transaction Costs as % of Sale Price	1.0%	
Financing		
Loan to Cost Ratio	65%	
Initial Construction Loan Fee (points)	1.0%	
Interest Rate	6.63%	

Cost and Income Assumptions	
Construction	
Site Preparation Costs (per site sf)	$8
Residential Hard Costs (per sf)	$195
Soft Costs (% of Hard Costs)	15%
Value (per sf)	$475
Financing Costs	
Interest on Construction Loan	$22,497
Points on Construction Loan	$6,174
Subtotal Financing Costs	**$28,671**
Period of Initial Loan (Months)	12
Draw dow n Factor	55%
Total Hard + Soft Costs	$949,857
Total Loan Amount	$617,407
Builder Fee	5%

Development Cost Analysis	
Fees and Exactions	
Land Use Commodities Cost (a)	$0
Linkage Fees	$0
Development Costs	
Site Prep Costs	$52,272
Residential Hard Costs	$704,340
Permit and Impact Fees	$79,754
Soft Costs	$113,492
Subtotal Construction Costs	**$949,857**
Financing	**$28,671**
Total Project Costs	**$978,528**

Residual Land Value Analysis	
Revenues	
Residential Sales Revenue	$1,715,900
Less Transaction Costs	($17,159)
Total Project Value	**$1,698,741**
Less Total Project Costs	$978,528
Less Builder Fee	$85,795
Residual Land Value	**$634,418**
Residual Land Value/Acre	$4,229,452

Note:
(a) The value associated with acquiring residential development rights and required coverage is assumed to be included in the price of the land.
Under this scenario, the builder/property owner is assumed to receive a development allocation directly from TRPA.

Source: BAE, 2023.

Table 14: Pro Forma Financial Feasibility Analysis, Single-Family For-Sale, Over 5,000 Sq. Ft.

Development Program Assumptions		
Lot Size (acres/sf)	0.650	28,314
Residential Unit Type	Res. sf	
Luxury SFR	6,250	
Residential Gross Area (sf)	6,250	
Marketing Costs as a % of Sale Price	3%	
Financing		
Loan to Cost Ratio	65%	
Initial Construction Loan Fee (points)	1.5%	
Interest Rate	5.75%	

Cost and Income Assumptions	
Construction	
Site Preparation Costs (per site sf)	$10
Residential Hard Costs (per sf)	$176
Soft Costs (% of Hard Costs)	20%
Operations	
Sale Price (per sf)	$500
Financing Costs	
Interest on Construction Loan	$36,104
Points on Construction Loan	$17,124
Subtotal Financing Costs	**$53,229**
Period of Initial Loan (Months)	12
Draw down Factor	55%
Total Hard + Soft Costs	$1,756,357
Total Loan Amount	$1,141,632
Developer Profit (% of Sales Revenue)	20%

Development Cost Analysis	
Fees and Exactions	
Land Use Commodities Cost	$0
Linkage Fees	$0
Construction Costs	
Site Prep Costs	$283,140
Residential Hard Costs	$1,100,000
Permit and Impact Fees	$96,589
Soft Costs	$276,628
Subtotal Construction Costs	**$1,756,357**
Financing	**$53,229**
Total Project Costs	**$1,809,586**

Residual Land Value Analysis	
Revenues	
Residential Sales Revenue	$3,125,000
Less Marketing Costs	($93,750)
Total Project Value	**$3,031,250**
Less Total Project Costs	$1,809,586
Less Developer Profit	$625,000
Residual Land Value	$596,664
Residual Land Value/Acre	$917,945

Note:
(a) The value associated with acquiring residential development rights and required coverage is assumed to be included in the price of the land.
Under this scenario, the builder/property owner is assumed to receive a development allocation directly from TRPA.

Source: BAE, 2023.

Table 15: Pro Forma Financial Feasibility Analysis, Multifamily Rental Apartments

Development Program Assumptions

Development Intensity		
Site Size (Acres / Sq. Ft.)	1.7	73,965
Total Residential Units		72
Net Density (Dwelling Units/Acre)		42
Gross Building Size (Sq. Ft.)		67,800
Building Height (Stories)		4.0
Site Utilization Factor		33%
Floor Area Ratio (Floor Area/Site Size)		0.9
Construction Type		Type 5 - Wood
		Total
Total Residential Units		72
Unit Mix (Count / Net Sq. Ft.)	Market	Unit Size (SF)
1 Bedroom	32	*620*
2 Bedroom	32	*800*
3 Bedroom	8	*1,100*
Net Residential Sq Ft	**72**	**54,240**
Circulation (% / (Count / Avg. Sq. Ft.)	25%	13,560
Total Residential Gross Sq Ft		**67,800**
Number of Parking Spaces		
Surface Parking (# - sf)	46	400
Tuck-Under Parking (# - sf)	40	300
Podium Parking (# - sf)	0	350
Total Parking	**86**	**30,400**
Parking Ratio (Spaces Per Unit)		1.2

Cost and Income Assumptions

Site Acquisition Cost (per site sq. ft.)		**$23**
Construction		
Site Work Per Site Sq. Ft.		$30
Residential Hard Cost, Per Net Sq. Ft.		$285
Podium Parking Per Space		$7,300
Tuck Under Parking Per Space		$18,250
Surface Parking Per Space		$6,100
Town Impact & Permitting Fees Per Sq. Ft.		$9.80 (a)
Soft Costs (% of Hard Costs)		18%
Developer Fee (% of Hard and Soft Costs)		3%
Developer Profit (% of Hard and Soft Costs		12%
Operations	125% of AMI	
Apartment Rental Rates	Per Sq. Ft /	Per Unit
1 BR (Per Sq. Ft. / Per Unit)	$2.42 /	$1,497
2 BR (Per Sq. Ft. / Per Unit)	$2.60 /	$2,079
3 BR (Per Sq. Ft. / Per Unit)	$1.99 /	$2,191
Annual Operating Cost (% of rental revenue		33%
Average Vacancy Rate		5.0%
Capitalization Rate		5.00%
Financing		
Loan-to-Cost Ratio		70%
Loan Fee (Points)		1%
Interest Rate		5.75%
Period of Initial Loan (Months)		24
Draw down Factor		65%
Total Loan Amount		$17,580,217

Development Cost Analysis

Site Acquisition Cost	**$1,698,003**
Construction	
Site Work	$2,249,870
Residential Hard Cost	$15,442,826
Surface Parking	$280,600
Tuck-Under Parking	$730,000
Podium Parking	$0
Town Impact & Permitting Fees	$664,666
Inclusionary In-Lieu Fee	$0
Soft Costs (% of Hard Costs)	$3,366,593
Developer Fee (% of Hard and Soft Costs	$682,037
Subtotal Construction Costs	**$23,416,593**
Cost Per Unit	*$325,230*
Developer Profit	**$2,809,991**
Financing	
Interest on Construction Loan	$1,314,121
Points on Construction Loan	$175,802
Subtotal Financing Costs	**$1,489,923**
Total Project Costs	**$29,414,510**
Cost Per Unit	$408,535
Cost Per Gross Sq. Ft.	$434
Cost Per Net Sq. Ft.	$542

Feasibility Analysis

Gross Scheduled Rents	$1,583,731
Less Vacancy	($79,187)
Less Operating Expenses	($548,763)
Net Operating Income (NC	**$955,782**
Capitalized Project Value	$19,115,636
Total Development Cost	($29,414,510)
Residual Project value	**($10,298,875)**
Project Value per unit	*($143,040)*

Notes:
(a) Based on fee data provided by the City of South Lake Tahoe.

Sources: City of South Lake Tahoe; BAE, 2023.

Table 16: Pro Forma Financial Feasibility Analysis, High-End Condominium/Tourist Mixed-Use

Development Program Assumptions

Lot Size (acres/sf)		1.5	65,340
Total Building Area (sf)			136,750
	# of	Avg.	Total
Hotel	Keys	sf	sf.
Hotel Room Characteristics	72	350	25,200
		%	sf
Circulation		25%	6,300
Walls and Shafts		15%	3,780
Hotel Gross Area			35,280
Hotel Operations			
Days Open per Year			365
Available Room Nights			26,280
Average Annual Occupancy			70.0%
Occupied Room Nights			18,396
	# of	Avg.	
Condo			
Condo Unit Types	Units	sf	Res. sf
1-Bed	23	800	18,400
2-Bed	33	1,000	33,000
3-Bed	10	1,250	12,500
Total	66		63,900
		%	sf
Circulation		20%	12,780
Walls and Shafts		10%	6,390
Condo Gross Area			83,070
Condo Operations			
Average Annual Occupancy			65.0%
Days Available per Year (Owner)			90
Available Room Nights Per Year (Owners)			5,940
Occupied Room Nights Per Year (Owner)			3,861
Days Available Per Year (Guest) (b)			275
% of Condo Units in Hotel Pool			80%
Available Room Nights Per Year (Guests)			14,520
Occupied Room Night Per Year (Guests)			9,438
Hotel Amenities			
Conference/Event Space (sf)			0
Restaurant (sf)			0
Commercial Space			
Gross Retail			18,400
Parking	#	Avg	Total
Parking Configuration	Stalls	sf	Parking sf
Surface Parking	0	375	0
Podium Parking	120	375	45,000
Total	120		45,000

Cost and Income Assumptions

Construction	
Site Preparation Costs (per site sf) (d)	$20
Hotel Hard Costs (per key)	$330
Condo Hard Costs (per sf)	$375
Restaurant Hard Costs (per sf)	$175
Conference Space Hard Costs (per sf)	$150
Parking Podium Hard Costs (per space)	$50,000
Soft Cost, (% of Hard Costs)	20%
Revenues	
Hotel Revenues	
Average Daily Room Rate (per night)	$240
Room Revenues (% Total Hotel Rev.)	64.0%
Food and Beverage Revenues (% of Total Hotel Rev.)	29.5%
Other Operating Department Revenue (% of Total Hotel Rev.)	3.6%
Miscellaneous Income (% of Total Hotel Rev.)	2.9%
Condo Revenues (e)	
Sale Price (per sf)	$625
Average Daily Room Rate (per night)	$350
Room Revenues (% of Total Condo Rev.)	60.5%
Food Revenues (% of Total Condo Rev.)	30.8%
Other Operating Department Revenue (% of Total Condo Rev.)	4.8%
Miscellaneous Income (% of Total Condo Rev.)	3.8%
Expenses	
Hotel Expenses	
Room Expenses (% of Room Revenues)	25.8%
Food Costs (% of Food Revenues)	68.9%
Other Operating Department Expenses (% or OODR)	64.8%
Undistributed Operating Expenses (% of Total Rev.)(g)	24.4%
Management Fee (% of Total Rev.)	2.9%
Replacement Reserves (FF&E) (% of Total Hotel Rev.)	1.9%
Insurance (% Total Hotel Rev.)	1.0%
Real Estate Taxes (% of Project Costs Net Sales Rev.)	1.1%
Retail Expenses	35.0%
Condo Expenses	
Sales Marketing (% of Room Revenues)	3.0%
Room Expenses (% of Room Revenues)	15.0%
Food Costs (% of Food Revenues)	68.9%
Owner's Revenue Share (% of Total Revenues)	50.0%
Financing	
Loan to Cost Ratio	65%
Initial Construction Loan Fee (points)	2.00%
Interest Rate	7.00%
Period of Initial Loan (Months)	24
Draw down Factor	60%
Total Hard + Soft Costs + Land	$65,006,782
Total Loan Amount	$42,254,408

Development Cost Analysis

Fees and Exactions	Total
Residential Linkage Fee	$0
Land Use Commodities Cost	$4,033,350
Total Fees and Exactions	$4,033,350
Construction Costs	
Site Prep Costs	$1,306,800
Hotel Hard Costs	$11,642,400
Condo Hard Costs	$31,151,250
Restaurant Hard Costs	$0
Conference Space Hard Costs	$0
Retail Hard Costs	$2,400,000
Parking Podium Hard Costs	$6,000,000
Permit and Impact Fees	$2,006,242
Soft Costs	$10,500,090
Subtotal Construction Costs	**$65,006,782**
Construction Financing Costs	
Interest on Construction Loan	$3,549,370
Points on Construction Loan	$845,088
Subtotal Const. Financing Costs	**$4,394,458**
Developer Profit (15% Costs)	**$11,015,188**
Total Project Costs	**$84,449,778**
Less Condo Sales	($39,937,500)
Plus Marketing Costs	$1,198,125
Project Costs Net of Sales Revenue	**$45,710,403**

Feasibility Analysis

Revenues	
Hotel Revenues	
Room Revenues	$4,415,040
Food and Beverage Revenues	$2,034,403
Other Operating Department Revenues	$250,334
Miscellaneous Income	$263,199
Subtotal Hotel Revenues	**$6,897,285**
Condo Revenues	
Room Revenues	$3,303,300
Food Revenues	$1,681,256
Other Operating Department Revenues	$263,920
Miscellaneous Income	$208,227
Subtotal Condo Revenues	$5,456,703
Retail Revenues	$66,400
Total Revenues	**$12,420,389**
Expenses	
Hotel Expenses	
Room Expenses	($1,138,968)
Food Expenses	($1,400,821)
Other Operated Department Expenses	($162,264)
Undistributed Operating Expenses	($1,682,806)
Management Fee	($200,835)
Replacement Reserves	($132,478)
Insurance	($69,079)
Real Estate Taxes	($502,814)
Condo Expenses	
Room Expenses	($495,495)
Food Expenses	($1,157,656)
Owners' Revenues	($1,403,903)
Retail Expenses	($23,240)
Total Expenses	**($8,370,359)**
Net Operating Income (NOI)	**$4,050,030**
Project Value	**$57,857,565**
Residual Land Value	$12,147,161
Land Value/Acre	$8,098,107

Source: BAE, 2023.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 16

Agenda Item: Bellamy Parking Garage Upgrade Project

Executive Summary: On April 5, 2022, the South Tahoe Joint Powers Parking Financing Authority entered into an agreement with Walker Consultants to evaluate the City Parking Garage and provide recommendations to upgrade the parking structure, circulation, Parking Revenue, and Access Control System (PARCS), 12 Electric Vehicle (EV) charging stations and Advance Parking Guidance System (APGS). Subsequently, the project was divided into two phases to allow early payout of the Garage Bonds. Phase 1 will include structural and circulation upgrades. The current project is for Phase 1. Phase 2 of the project consists of PARCS, APGS, and installation of the EV charging stations and will be bid out in the Spring of 2024.

Requested Action / Suggested Motions: Pass a Resolution authorizing and directing the South Tahoe Joint Powers Parking Financing Authority Chair to execute a contract with JPB Designs, Inc. for $478,300, plus 10% contingency of $47,830 for the Bellamy Parking Garage Upgrade Project and amending FY 2022/23 Parking Garage Budget, including appropriating $171,130 from the Parking Garage Fund balance.

Responsible Staff Member: Anush Nejad, Director of Public Works, Jeff Roberson, Support Lieutenant, Scott Crivelli, Detective Seargent

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff_Report_Bellamy__Parking_Garage_Award.docx
02_-_Bellamy_Parking_Garage_Agreement.docx
03-Resolution_Bellamy_Parking_Garage (3).docx

City of South Lake Tahoe
Report to
South Tahoe Joint Powers Parking Financing Authority

Meeting Date: August 8, 2023

Title: Agreement with JPB Designs, Inc. for Bellamy Parking Garage Upgrade Project

Location: 1 Bellamy Court, South Lake Tahoe, CA

Responsible Staff Member: Anush Nejad, Director of Public Works; Jeff Roberson, Support Lieutenant (530) 542-6521; and Scott Crivelli, Detective Seargent (530) 54206130

Background: In November 2013, the South Tahoe Joint Powers Parking Financing Authority issued $7,735,000 of Parking Revenue bonds to refund the bonds issued in 2002 to finance the acquisition and construction of the parking facility. The bonds are secured and paid from the net operating revenue of the garage, special tax revenue levied in CFD No. 2001-1, and the debt service reserve fund.

On April 5, 2022, the South Tahoe Joint Powers Parking Financing Authority entered into an agreement with Walker Consultants to evaluate the City Parking Garage and provide recommendations to upgrade the parking structure, circulation, Parking Revenue, and Access Control System (PARCS), the addition of 12 Electric Vehicle (EV) charging stations and Advance Parking Guidance System (APGS).

On November 1, 2022, the City Council amended Walker's Consultant contract to divide the project into two phases. Phase 1 will include structural and circulation upgrades. Phase 2 of the project consists of PARCS, APGS, and installation of the EV charging stations for an estimated cost of $500,000. To allow early bond payment, the City plans to stretch out the construction and award Phase 1 and bid Phase 2 by Spring 2024.

Issue and Discussion: On June 18, 2023, the Public Works Department advertised the Parking Garage Upgrade Project on the City Planet Bids website. 483 vendors were notified. 24 bidders downloaded the bid documents. The Project bidding period closed on July 26, 2023.

Public Works received three sealed bids, which were publicly opened and read aloud at the scheduled bid opening located at the City Public Works Building. The lowest responsible and responsive bidder was determined to be JPB Designs, Inc., with a bid amount of $478,300. The Engineer's Estimate for the bid was $275,000.

The bid results are as follows:

Name of Contractor	Location	Base Bid Price
JPB Designs, Inc.	Orangevale, CA	$478,300.00
Pullman SST, Inc.	Benicia, CA	$592,593.69
Slater Waterproofing, Inc.	Montclair, CA	$597,756.00

Financial Implications:
The lowest responsive and responsible bid received for this project was from JPB Designs, Inc., for $478,300.00. Although the lowest, responsible bidder is above the Engineer's Estimate, the City has received three valid bids within a reasonable range of each other. One of the factors associated with bids higher than Engineer Estiamte' is a very short timeline allocated for the construction of the project to minimize revenue impacts to the Parking Garage and impacts to the Heavenly Village businesses.

To fund this project, the following amounts are needed:

Expense Description	***Amount***
JPB Designs, Inc.	$478,300
10% Construction Contingency	$47,830
Materials Testing	$2,000.00
Labor Compliance Oversite	$3,000.00
TOTAL ANTICIPATED EXPENSES	$531,130

The following budgets are available to fund this project:

Parking Garage:

- Construction (Account 52005320-48030): $250,000.00
- Technical Services (Account 52005320-42030: $110,000.00

Staff is requesting an additional appropriation from the Parking Garage Fund balance, in the amount of $171,130, to close the funding gap.

Environmental Considerations: This project is considered maintenance and is exempt from Tahoe Regional Planning Agency (TRPA) permits and the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15301(c) (Existing Facilities). All applicable best management practices will be utilized to protect air and water quality during construction.

Policy Implications:
This project advances the City Council Strategic Priorities and Goals, specifically:

- Action Item 1.5 (Carbon Neutrality) to implement various projects to reach the City's 100% renewable energy and Climate Action Plan goals, including building robust EV charging infrastructure by 2025.
- Action Item 5.3 (Infrastructure and Maintenance) actively seeking funding to develop sustainable infrastructure projects based on the prioritized capital improvement project list

The project also upgrades the parking garage with needed structural upgrades to maintain public safety. The City staff have coordinated with PADMA to construct the project, and appropriate public notices and notifications will be provided to minimize impacts to the users and businesses.

SOUTH TAHOE JOING POWERS PARKING FINANCING AUTHORITY
DEPARTMENT OF PUBLIC WORKS

AGREEMENT (00500)

DOCUMENT 00500 - AGREEMENT

City of South Lake Tahoe

DEPARTMENT OF PUBLIC WORKS
AGREEMENT
for

BELLAMY PARKING GARAGE UPGRADE

PUBLIC WORKS CONTRACT No. 23-52005320-48030-01

FORMAL BID No. 23-52005320-48030-01BN1

THIS AGREEMENT is made and entered into this **8th** day of **August 2023** by and between the South Tahoe Joint Powers Parking Financing Authority (STJPPFA), herein designated "STJPPFA," and **JPB Designs, Inc.** herein designated as "Contractor."

WITNESSETH, that the STJPPFA and the Contractor, in consideration of the mutual covenants hereafter set forth, agree as follows:

ARTICLE 1 - THE WORK

Contractor agrees to furnish all labor, tools, equipment, facilities, materials, transportation and services necessary to perform and complete, in a good and workmanlike manner, the **BELLAMY PARKING GARAGE UPGRADE** as required pursuant to the Contract Documents.

ARTICLE 2 - COMMENCEMENT AND COMPLETION

The Work to be performed under this Agreement shall commence at the time as specified in the Notice to Proceed, and the Contractor shall diligently undertake the performance of the obligations as set forth in the Contract Documents to achieve Final Completion of the Work (as defined at Section 9.9 Special Provisions) on or before October 20, 2023 (the "Contract Time"). ***No grading or excavation or other land disturbance will be allowed between October 15th and May 1st; all Work shall be performed after the issuance of the Notice to Proceed, and Final Completion achieved within the contract time as set forth in these Contract Documents.***

The STJPPFA and the Contractor recognize that time is of the essence of this Agreement and that the STJPPFA will suffer financial loss if the Work is not completed within the time specified herein, plus any extensions thereof allowed in accordance with the Contract Documents. The STJPPFA and Contractor also recognize the delays, expense, and difficulties involved in proving the actual loss suffered by the STJPPFA if the Work is not completed within the Contract Time. Accordingly, instead of requiring any such proof, and pursuant to the Contract Documents, the STJPPFA and the Contractor agree that as liquidated damages (but not as a penalty), the Contractor shall pay the STJPPFA the sum of $2,000 for each calendar day beyond October 16, 2023, and continuing until Bidder achieves Milestone #1, Substantial Completion (per Document 00100, Article 1.04.A.1), and $5,000 for each calendar day beyond October 20, 2023, that portion of the Contract Time within which the Bidder is required to achieve Milestone #2, Final Completion (per Document 00100, Article 1.04.A.3).

In accordance with the Contract Documents, including, without limitation Document 00400.4.2 ("Bid Proposal"), the daily amount that Contractor may charge to the STJPPFA for all delay costs, direct and indirect (and inclusive of all expenses and damages, including, without limitation, jobsite and home office overhead costs and extended general conditions) applicable to the first sixty (60) calendar days of Compensable Delay, if any, is [$300 per day], the amount set forth by Contractor in Document 00400.4.2 ("Bid Proposal"). This sum shall represent the exclusive and sole amount (i.e., payment in full for any and all direct and indirect delay costs) that Contractor, on behalf of itself and subcontractors and suppliers, of every tier, shall receive for any and all Compensable Delay(s) during the first sixty (60) calendar days of actual, Compensable Delay at the Project. Delay costs that may arise from Compensable Delay, if any, beyond the first sixty (60) calendar days of a Compensable Delay, if allowable, shall thereafter be governed by, and subject to, the applicable provisions of Sections 8 and 9 of the Standard Specifications, as modified by the Special Provisions, and the Contract Documents.

ARTICLE 3 - CONTRACT PRICE

The STJPPFA agrees to pay, and the Contractor agrees to accept, in current funds for the performance of the Work pursuant to the Contract Documents, the Contract Sum for the completion of the Work in accordance with the Contract Documents as follows:

Bid Item	**Reference to Drawing Work Item or Detail Number**	**Description**	**Units**	**Total Quantity**	Unit Price	Extension
1	R-001 1.1	Project Mobilization - General Conditions	L.S.	1	$40,000.00	$40,000.00
2	R-001 1.2	Concrete Formwork	Incidental			
3	R-001 1.3	Concrete Shores and Reshores	Incidental			
4	R-001 1.4	Concrete Reinforcement	Incidental			
5	R-001 1.5	Traffic Control	L.S.	1	$9,000	$9,000

	4.00	**CONCRETE CEILING REPAIR**				
6	R-001 4.1	Ceiling Repair - Partial Depth/Shallow	S.F.	10	$250.00	$2,500.00
	11.0	**CRACK AND JOINT REPAIR**				
7	R-001 11.1	Seal Cracks and Joints	L.F	1,520	$45.00	$68,400.00
8	R-001 11.3	Vertical Joint Sealant	L.F.	825	$60.00	$49,500.00
9	R-001 11.5	Epoxy Injection - Grouted CMU walls and Concrete Beam	L.F	400	$85.00	$34,000.00
10	R-001 11.7	Cove Sealant	L.F.	1860	$35.00	$65,100.00
	21.0	**P/T SYSTEM REPAIR**				
11	R-001 21.1	Inspect P/T Tendon Anchorage	EA.	3	$2,000.00	$6,000.00
	76.0	**CRACK REPAIR AND TUCKPOINTING**				
12	R-001 76.3	Tuckpointing	L.F	200	$50.00	$10,000.00
	80.0	**CONCRETE MASONRY UNIT FAÇADE**				
13	R-001 80.5	Install New CMU Cap	EA	20	$200.00	$4,000.00
	96.0	**FAÇADE AND COPING**				
14	R-001 96.1	Install Metal Coping	L.F	1150	$52.00	$59,800.00
15	R-001 96.2	Remove, Salvage, and Reinstall Metal Fence	L.S.	1	$15,000.00	$15,000.00
16	G-001 through AG-702	Existing PARCS island Demolition; Signage and Striping	L.S.	1	$25,000.00	$25,000.00
17	EQ-400 through EQ-402	PARCS island rebuild at South Entry/Exit Plaza; OmniQ PARCS Equipment Relocation and Reactivation; PARCS-related signage relocation	L.S.	1	$90,000.00	$90,000.00

TOTAL CONTRACT SUM____**$**478,300_____

For the Total Contract Sum of _Four Hundred Seventy-Eight Thousand and Three Hundred dollars and Zero cents.

The above Total Contract Sum includes all allowances, if any, provided for in the Contract Documents.

Compensation for Unit Price Items shall be based upon the unit prices stated in the above schedule multiplied by the actual quantities or units of work and materials performed or

furnished. Unit prices paid by the STJPPFA may change depending on actual quantities or units of work completed in accordance with the Contract Documents.

ARTICLE 4 - PREVAILING WAGES

Pursuant to the provisions of California Labor Code, Sections 1770 to 1780, inclusive thereof, the Contractor, and any subcontractor, of any tier, shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations.

In compliance with Senate Bill 854 and the California Labor Code, this project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. Contractors must submit their certified payroll records directly to the Division of Labor Standards Enforcement Compliance Monitoring Unit through the electronic certified payroll reporting (eCPR) system, as well as to the STJPPFA and City of South Lake Tahoe.

Pursuant to the provisions of California Labor Code Section 1773.2, the Contractor is hereby advised that copies of the prevailing rate of per diem wages and a general prevailing rate for holidays, Saturdays and Sundays and overtime work in the locality in which the Work is to be performed for each craft, classification, or type of worker required to execute the Contract, are on file in the STJPPFA's office. The Contractor agrees that not less than said prevailing rates shall be paid to workers employed on this public works contract as required by Labor Code Section 1774. These rate determinations are found on the State of California Department of Industrial Relations' website at: http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm.

Pursuant to the provisions of California Labor Code Section 1813, the Contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars ($25) for each worker employed in the execution of the contract by the respective Contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article. In awarding any contract for public work, the awarding body shall cause to be inserted in the contract a stipulation to this effect. The awarding body shall take cognizance of all violations of this article committed in the course of the execution of the contract and shall report them to the Division of Labor Standards Enforcement.

ARTICLE 5 - CONTRACT DOCUMENTS

The Agreement includes and incorporates by reference the Contract Documents for the Project, which consists of the following documents:

(a) Notice to Bidders (Document 00100);

(b) Instructions to Bidders (Document 00200);

(c) Bid Proposal (Document 00400);

(d) Bidder's Bond (Document 00410);

(e) Designation of Subcontractors (Document 00420);

(f) Verification of Contractor & Subcontractor DIR Registration (00423)

(g) Self-Performance Declaration (Document 00425);

(h) Debarment and Suspension Certifications (Document 00430);

(i) Non-Collusion Declaration (Document 00432);

(j) Worker's Compensation Certification (Document 00435);

(k) Business and Professions Code Sections 7028.15 and 7031 Statement (Document 00440);

(l) Bidder's Statement of Financial Responsibility, Technical Ability and Experience (Document 00450);

(m) Equal Employment Opportunity Certification (Document 00460);

(n) Non-Lobbying Certification (Document 00465);

(o) Disclosure of Lobbying Activities (Document 00466);

(p) Agreement (Document 00500);

(q) Payment Bond Form (Document 00610);

(r) Performance Bond Form (Document 00620);

(s) Sample Escrow Agreement for Security Deposits In Lieu of Retention (Document 00630);

(t) Warranty/Guaranty Form (Document 00635);

(u) Acknowledgment of City Code (Document 00640);

(v) Bid Document Certification (Document 00650);

(w) The Standard Specifications of the State of California, Department of Transportation, dated 2018; the Standard Plans of the State of California, Department of Transportation, dated 2018, and the South Lake Tahoe Public Improvement and Engineering Standards;

(x) Special Provisions (which incorporate by reference, and, as specified, modify the Standard Specifications of the State of California, Department of Transportation, dated 2018; the Standard Plans of the State of California, Department of Transportation, dated 2018, and the South Lake Tahoe Public Improvement and Engineering Standards) (Document 00700);

(y) Supplemental Conditions (Document 00800), if any;

(z) General Requirements, if any;

(aa) Construction Progress Documentation (Document 01300);

(bb) Technical Specifications;

(cc) Contract Drawings (Lake Tahoe Garage Repairs – 2022 (R-001-502, 8-Sheets); Functional and PARCS Drawings (G001 to AG-702, 12 Sheets); and OmniQ PARCS Garage Upgrade – EQ-400 to EQ 402, 3 Sheets).

(dd) Addenda (numbers 1to 3, inclusive; and

(ee) Permits from other agencies as may be required by law.

(ff) All Documents referenced as constituting the "Bid Documents" pursuant to Section 1.3 ("Bid Documents") of the Special Provisions.

Exhibits to this Agreement are enumerated as follows:

- Exhibit A: Escrow Bid Document Certification; and
- Exhibit B: Insurance Certificates and Endorsements.

ARTICLE 6 - WORKERS' COMPENSATION

Contractor shall take out and maintain during the life of the Agreement, adequate and sufficient workers' compensation insurance for all Contractor's employees employed at the site of improvements, and, if any Work is sublet, Contractor shall require each subcontractor similarly to provide workers' compensation insurance for all of the latter's employees, unless such employees are covered by the protection afforded by Contractor. If any class of employees engaged in Work under this contract at the site of the Project is not protected under workers' compensation law, Contractor shall provide, and shall cause each subcontractor to provide, adequate insurance for the protection of employees not otherwise protected. Contractor shall indemnify the STJPPFA, the City of South Lake Tahoe and the California Department of Transportation for any damage resulting to it from failure of either Contractor or any subcontractor to take out or maintain such insurance.

By its signature upon this Agreement, Contractor certifies that it has carefully reviewed and is aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for worker's compensation, or to undertake self-insurance in accordance with the provisions of the Labor Code. Contractor, as a condition precedent to the commencement of its Work pursuant to the Agreement, shall comply with such provisions.

ARTICLE 7 - INDEMNITY AND INSURANCE

To the fullest extent permitted by law, including, without limitation, Civil Code section 2782, *et seq*., and in strict accordance with the Contract Documents, Contractor shall defend, indemnify, and hold harmless the STJPPFA and City of South Lake Tahoe, its officials, officers, STJPPFA Board members, employees, agent, the California Department of Transportation, the Project Manager, the Architect/Engineer, the Project consultants, and their respective principals, officers and employees, and each of them, of and from any and all claims, demands, suits, causes of action, damages, costs, expenses, attorneys' fees, losses, or liability, in law or in equity, of every kind and nature whatsoever related to, arising out of, or in connection with, Contractor's operations to be performed under this Agreement, and as otherwise set forth in Contract Documents, including, without limitation, Section 7-1.05A of the Standard Specifications, as modified by Section 7.11 of the Special Provisions. The obligations of defense and indemnity set forth in this Article, and in the Contract Documents, shall not be limited by any insurance requirements or obligations pursuant to the Contract Documents, and shall not extend to the sole negligence or willful misconduct of the STJPPFA, or the active negligence of the STJPPFA. The obligations arising from this Article shall not be construed to negate, abridge, or reduce other

rights or obligations of indemnity (including all duties to defend), which would otherwise exist as to a party, or person described elsewhere in the Contract Documents.

Contractor shall maintain the insurance coverage described in Section 7-1.06 of the Standard Specifications, as modified by Section 7.12 of the Special Provisions, throughout the performance of the Agreement, including any maintenance, warranty and/or guaranty periods. This Agreement shall not be operative until evidence of such insurance has been provided to, and approved by, the STJPPFA as to form, amount, and carrier. Contractor shall not allow any subcontractor to commence Work at the Project until subcontractor provides evidence to Contractor and STJPPFA that subcontractor has obtained insurance acceptable to the STJPPFA.

ARTICLE 8 - NOTICES

Whenever any provision of the Contract Documents requires the giving of written notice, it shall be deemed to have been validly given if delivered in person to the individual for whom it is intended, or if delivered at or sent by registered or certified mail, postage prepaid, to the address listed below:

Notices required to be given to STJPPFA:	**Notices required to be given to Contractor:**
Public Works Director/City Engineer	JPB Designs, Inc.
City of South Lake Tahoe	5650 Main Street, Suite 2
1740 D Street	Orangevale, CA 95662
South Lake Tahoe, CA 96150-6251	

Notices required to be given to any surety(ies):

_____

_____

ARTICLE 9 - MISCELLANEOUS

9.1 Terms. Terms used in this Agreement will have the meanings indicated in the Contract Documents.

9.2 Assignment. No assignment by a party hereto of any rights under or interests in the Agreement will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

9.3 Successors and Assigns. STJPPFA and Contractor each binds itself, its partners, successors, assign, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

9.4 Severability. Any provision or part of the Contract Documents held to be void or unenforceable under any law or regulation shall be deemed stricken, and all remaining provisions

shall continue to be valid and binding upon STJPPFA and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

9.5 South Lake Tahoe City Code. Contractor acknowledges that all pertinent provisions within the South Lake Tahoe City Code are incorporated by reference as though set forth in full herein, and, further, the failure of Contractor or any subcontractor, of any tier, to comply with any of its/their obligations under the Contract Documents, or the requirements of the South Lake Tahoe City Code, or any other applicable law, code, statute, or regulation, shall be deemed a material breach of the Agreement.

9.6 Third Party Beneficiary. Contractor expressly acknowledges the STJPPFA's status as a third party beneficiary solely with respect to the performance to be rendered under each subcontract, of any tier, upon the Project, and, as a result, Contractor acknowledges that STJPPFA possesses, *inter alia*, the rights enumerated within the South Lake Tahoe STJPPFA Code as to the enforcement of obligations under subcontracts of any tier.

9.7 Regulatory Requirements. Contractor acknowledges that the Project is subject to requirements and regulations issued on behalf of various governmental and/or regulatory bodies, including, without limitation, the Lahontan Regional Water Quality Control Board and the Tahoe Regional Planning Agency, among others. Contractor agrees to fully and promptly comply with any and all requirements and regulations issued on behalf of such entities.

9.8 Governing Law. This Agreement and the Contract Documents shall be deemed to have been entered into in the County of El Dorado, State of California, and governed by California law. By entering into this Agreement, the Contractor consents and submits to the jurisdiction of Courts of the State of California, County of El Dorado, over any action of law, suit in equity, and/or other proceeding that may arise out of the Contract Documents.

IN WITNESS HEREOF, the said STJPPFA of South Lake Tahoe, State of California, has caused this Agreement to be executed by its Chair in its behalf, and the said Contractor has signed this Agreement the day and year first above written.

STJPPFA OF SOUTH LAKE TAHOE

By _____
Cristi Creegan, Chair
South Tahoe Joint Powers
Parking Financing Authority

Contractor: JPB Designs, Inc.

By _____

Title Artyom Ponomarenko, President

Business License No. _____

ATTEST:

By _____

APPROVED AS TO FORM:

By _____

STJPPFA
Secretary

STJPPFA
General Counsel

END OF DOCUMENT 00500

Exhibit A

Insurance Certificates and Endorsements

Exhibit B

Payment Bond & Performance Bond

Resolution 2023-XXX

Adopted by the South Tahoe Joint Powers Parking Financing Authority (STJPPFA)

August 8, 2023

Authorizing and Directing STJPPFA to Execute a Contract with JPB Designs, Inc and Appropriating Funds for the Construction of the Bellamy Parking Garage Upgrade Project

BACKGROUND

A. On April 5, 2022, the South Tahoe Joint Powers Parking Financing Authority entered into an agreement with Walker Consultants to evaluate the City Parking Garage and provide recommendations to upgrade the parking structure, circulation, Parking Revenue, and Access Control System (PARCS), the addition of 12 Electric Vehicle (EV) charging stations and Advance Parking Guidance System (APGS).

B. On November 1, 2022, the City Council amended Walker's Consultant contract to divide the project into two phases. Phase 1 will include structural and circulation upgrades. Phase 2 of the project consists of PARCS, APGS, and installation of the EV charging stations. To allow early bond payment, the City plans to stretch out the construction and award Phase 1 and bid Phase 2 by Spring 2024.

C. On June 18, 2023, the Public Works Department advertised the Parking Garage Upgrade Project on the City Planet Bids website. The Project bidding period closed on July 26, 2023.

D. Public Works received three sealed bids, which were publicly opened and read aloud at the scheduled bid opening located at the City Public Works Building. The lowest responsible and responsive bidder was determined to be JPB Designs, Inc., with a bid amount of $478,300.

A. Upon evaluation of proposals, the Department of Public Works recommends the award of a Construction Agreement in the amount of $478,300 to JPB Designs, Inc. of Orangevale, CA.

B. The Department of Public Works recommends a project construction contingency of 10% of the Construction Agreement in the amount of $47,830 to the project fund.

C. The Department of Public Works recommends funds to support project labor compliance and materials testing in the amount of $5,000 be appropriated to the project fund.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the South Tahoe Joint Powers Parking Financing Authority:

1. Appropriates an additional $171,130 from the Parking Garage Fund balance for the Bellamy Parking Garage Upgrades.

2. Transfers the available budget of $110,000 from the Technical Services into the project account (52005320-48030), Parking Garage Construction, for a total available funding of $531,130, including the existing budget of $250,000 in the Construction account, to award the Construction Agreement, provide construction contingency, and appropriate funds to support labor compliance and materials testing. Fund transfer detail in the table below.

From Fund:	**Description**	**Amount**
52005320-42030	Parking Garage - Technical Services	(-) 110,000.00
52005320-xxxxx	Parking Revenue Fund Balance	(-) 171,130.00
	Total	**(-) $281,130.00**
To Fund:	**Task**	**Amount**
52005320-48030	Construction	(+) $281,130.00
	Total	**(+) $281,130.00**

3. Authorizes and directs the Chair to execute the Construction Agreement with JPB Designs, Inc. of Orangevale, CA, in the amount of $478,300 with 10% construction contingency in the amount of $47,830.00

Adopted by the South Tahoe Joint Powers Parking Financing Authority on August 8, 2023 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____

Cristi Creegan, Chair

Attest:

_____

Susan Blankenship, Secretary

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 17

Agenda Item: Citizen Appointments to Commissions and Boards

Executive Summary: Due to four resignations and one existing vacancy, the City Clerk solicited applications for citizen appointments to the Arts, Culture, and Tourism Commission, Airport Land Use Commission, and the El Dorado County Community Action Council. Three applications were received for two (2) voting member positions (expiring 2/2024 and 2/2025) on the Arts, Culture, and Tourism Commission. No applications were received to fill one (1) non-voting representative position associated with the South Lake Tahoe Tourism Improvement District or Lake Tahoe Lodging Association (expiring 2/2024). o Rachel Carlson o Aubrie Williams o Nolan Barichievich (student applicant) Two applications were received for one position on the Airport Land Use Commission (Expiring 2/2025). o Charles Averett o Joshua Cleaver One application was received for one City Council Representative to the El Dorado County Community Action Council. (considered annually) o Chelcee Thomas

Requested Action / Suggested Motions: Interview applicants, and: 1) Pass a Motion appointing: two (2) voting members to fill vacancies (expiring 2/2024 and 2/2025) on the Arts, Culture, and Tourism Commission; 2) Pass a Motion appointing one (1) non-voting representative (if any) associated with the South Lake Tahoe Tourism Improvement District or Lake Tahoe Lodging Association (expiring 2/2024) on the Arts, Culture, and Tourism Commission; 3) Pass a Motion appointing an applicant to the Airport Land Use Commission (Expiring 2/2025); 4) Pass a Motion appointing a City Council representative to serve on the El Dorado County Community Action Council; and directing the re-solicitation of applications to the fill any remaining vacancies.

Responsible Staff Member: Susan Blankenship, City Clerk

Reviewed and Approved By: Heather Stroud, City Attorney

Attachments:

01-Staff_Report_-_Citizen_Commissions_and_Boards (6).docx
02-Notice of Solicitation -ACT Rep & ALUC & Community Action.pdf
03-06 08 2023 Maddy Act List.pdf
04-Res 2023-013 City Commission-Boards- Committees.pdf
05-ACT_redacted.pdf
06-ALUC_Redacted.pdf
07-EDC CAC.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 8, 2023

Title: Citizen Appointments to Commissions and Boards

Location: Citywide

Responsible Staff Member: Susan Blankenship, City Clerk (530) 542-6005

Background: The City of South Lake Tahoe Commissions and Boards consists of: Airport Land Use Commission; Arts, Culture, and Tourism Commission; Building Board of Appeals; Parks and Recreation Commission; Planning Commission; Police Advisory Commission; and the Independent Citizens' Oversight Committee. Additionally, City Council Representative are appointed to serve on the El Dorado County Community Action Council, El Dorado County Commission on Aging and the TRPA Advisory Planning Commission.

Due to four resignations and one existing vacancy, the City Clerk solicited for applications to fill those vacancies.

Issue and Discussion: Three applications were received for two (2) voting member positions (expiring 2/2024 and 2/2025) on the Arts, Culture, and Tourism Commission. No applications were received to fill one (1) non-voting representative position associated with the South Lake Tahoe Tourism Improvement District or Lake Tahoe Lodging Association (expiring 2/2024).

- Rachel Carlson
- Aubrie Williams
- Nolan Barichievich (student applicant)

Two applications were received for one position on the Airport Land Use Commission (Expiring 2/2025).

- Charles Averett
- Joshua Cleaver

One application was received for one City Council Representative to the El Dorado County Community Action Council. (considered annually)

- Chelcee Thomas

Financial Implications: Costs associated with staff support of the individual commissions/boards have been budgeted for within the department who oversees the commission.

Environmental Considerations: This is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies)

Policy Implications: The solicitation and appointment of citizens to various boards and commissions meets the requirements set forth in Resolution 2023-013 and conforms to City Council Protocols.

City of South Lake Tahoe
Notice of Solicitation of Applications

City Council Representative: El Dorado County Community Action Council (one seat)
Airport Land Use Commission (one seat)
Arts, Culture, and Tourism Commission (two voting members and one non-voting representative of the South Lake Tahoe Tourism Improvement District or Lake Tahoe Lodging Association)

NOTICE IS HEREBY GIVEN that the City Council of the City of South Lake Tahoe is soliciting for applications for appointments to the following:

El Dorado County Community Action Council: (Considered annually)
The City Council will be appointing one representative to the El Dorado County Community Action Council. Applicants must reside within the city limits. The Council meets the fourth Wednesday of each month at 10 a.m.

For information purposes, the following is an excerpt from the By Laws:
"The purpose of this Advisory Board is to advise the El Dorado County Board of Supervisors, as the designated Community Action Agency, and Board of Directors thereto, for the County, and the Health and Human Services Agency, as the County Department designated by the Board of Supervisors to administer Community Action programs and activities, including the Community Services Block Grant, about the needs of the community on issues relating to human services needs for low-income residents of El Dorado County and to provide an avenue of participation for local government, private organizations, and private citizens of the community in serving the most vulnerable populations. The Council will provide advice and recommendations to the Board of Supervisors, provide assistance in educating the community on human services and available resources in El Dorado County and participate in developing collaborative solutions to meet ongoing community needs, while working together to meet the basic needs and to improve the quality of life for residents of El Dorado County."

Airport Land Use Commission:
The City Council will be appointing one (1) member to serve a vacancy (expiring 2/2025) on the Airport Land Use Commission. Applicants must reside and be domiciled within the Tahoe Basin portion of El Dorado County. The Airport Land Use Commission review and determine compatibility of individual development proposals, general plan amendments, and other land use plans and regulations around airports as well as other responsibilities set forth in the Airport Comprehensive Land Use Plan. The Airport Land Use Commission meets on an as needed basis.

Arts, Culture and Tourism Commission:
The City Council will be appointing one (1) non-voting representative associated with the South Lake Tahoe Tourism Improvement District or Lake Tahoe Lodging Association(expiring 2/2024) and two (2) voting members to fill vacancies (expiring 2/2024 and 2/2025) on the Arts, Culture, and Tourism Commission. Applicants must reside and be domiciled within the Tahoe Basin portion of El Dorado County. The Commission review proposed policies on Arts, Culture and Tourism programs and report findings and review proposed public arts projects and make recommendations for appropriation of funds for specific projects. The Arts, Culture and Tourism Commission will meet quarterly as needed.

Applications: Applications may be obtained at City Hall located at 1901 Lisa Maloff Way, South Lake Tahoe, between 8:00 a.m. and 5:00 p.m., Monday through Friday. Applications can also be downloaded from the City's website at www.cityofslt.us, or emailed to interested parties upon request to the City Clerk's Office. Completed applications must be returned to the City Clerk's Office (email preferred sblankenship@cityofslt.us) no later than 4:00 p.m., on Tuesday, July 25, 2023.

The City Council will be making the appointments at the regularly scheduled meeting of August 8, 2023, at 9 a.m. or as soon thereafter.

For details regarding Duties and Responsibilities of City Boards and Commissions visit the City's City Boards and Commissions webpage.

For questions, please contact Susan Blankenship, City Clerk at 542-6005 or via email at

sblankenship@cityofslt.us

LOCAL APPOINTMENTS LIST

Government Code 54972 (Maddy Act)

AIRPORT LAND USE COMMISSION (2 Year Term)

Meets as needed to review compatibility of land use plans and regulations around the airport.

Name	Date Appointed	Term Expires
Fernando Manfredi	3/28/2023	2/2025
Vacant		2/2025

BUILDING BOARD OF APPEALS (2 Year Term)

Meets as needed to hear appeals of Building Official determinations & monitor City building use, maintenance & construction requirements.

Name	Date Appointed	Term Expires
Keith Roberts	1/10/2023	2/2025
Frank Sylvester	1/18/2022	2/2024
Courtney Schmidt	3/1/2022	2/2024
Seth Howard	8/9/2022	2/2024
Scott McGill	1/10/2023	2/2025

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE (MEASURE P) (4 Year Term)

Meets as needed to provide direction to City Council & Staff regarding the use & accounting of Measure P funds.

Name	Date Appointed	Term Expires
Jerry Bindel	1/10/2023	2/2027
David Gregorich	1/10/2023	2/2027
Marissa Fox	1/10/2023	2/2027
Faye-Marie Pekar	1/10/2023	2/2027
Jude Wood	3/28/2023	2/2027

PARKS & RECREATION COMMISSION (Alternating 2 Year Terms)

Meets quarterly to advise City Council on policies and projects relating to city parks and recreation.

Name	Date Appointed	Term Expires
Amelia Richmond	1/10/2023	2/2024 (limited term vacancy)
Kira Smith	1/10/2023	2/2025
Jerry Bindel	1/18/2022	2/2024
David Gregorich	1/18/2022	2/2024
Peter Fink	1/10/2023	2/2025
Margaret Kovarik-Maxhimer	1/10/2023	2/2025
Nicole Ramirez-Thomas	1/10/2023	2/2025

PLANNING COMMISSION (Alternating 2 Year Terms)

Meets monthly to assist in matters relating to the City's general plan, serve as Delinquent Refuse Hearing Board & perform duties set forth in Article 7 of the Government code.

Name	Date Appointed	Term Expires
Natalia Wieczorek	1/10/2023	2/2025
Keith Roberts	1/18/2022	2/2024
Gavin Feiger	1/18/2022	2/2024
Nick Speal	1/10/2023	2/2025
Seth Howard	1/10/2023	2/2025

Revised 06 08 2023

Arts, Culture and Tourism Commission (Alternating 2 Year Terms)

Meets quarterly to advise City Council on policies and projects relating to Arts, Culture and Tourism.

Name	Date Appointed	Term Expires
Stacey Ballard	1/10/2023	2/2025
Vacant		2/2025
David Hamilton	1/10/2023	2/2025
Vacant		2/2024
Bryan Yerian	1/18/2022	2/2024
Aimi Xistra Rich	5/2/2023	2/2025 (non-voting representative) Boys & Girls Club
Vacant		2/2024(non-voting representative) Lake Tahoe Visitors Authority Lodging Association

Police Advisory Commission (Alternating 2 Year Terms)

Meets quarterly to advise, assist, and collaborate on police/community issues.

Name	Date Appointed	Term Expires
Ayana Morali	1/10/2023	2/2025
Erika Gonzalez	1/10/2023	2/2025
Tom Davis	1/10/2023	2/2025
Claudia Andersen	1/18/2022	2/2024
Justin Zunino	1/18/2022	2/2024

Council Commissions with citizen representation

EL DORADO COUNTY COMMUNITY ACTION COUNCIL - Council Commission with citizen representative

Name	Date Appointed	Term Expires
Vacant		Appointment considered annually

EL DORADO COUNTY COMMISSION ON AGING - Council Commission with citizen representative

Name	Date Appointed	Term Expires
Chantelle Schenning	12/13/2022	Appointment considered annually

TRPA ADVISORY PLANNING COMMISSION – Council Commission with citizen representative

Name	Date Appointed	Term Expires (2 Year Term)
Susan Chandler	12/13/2022	12/2024

Revised 06 08 2023

Resolution 2023-013

Adopted by the City of South Lake Tahoe
City Council

March 14, 2023

City Commissions, Boards, and Committees
(Replacing Resolution 2022-011 and Resolution 2018-111)

BACKGROUND

A. The City of South Lake Tahoe Commissions, Boards, and Committees consist of 1) Airport Land Use Commission; 2) Building and Housing Board of Appeals; 3) Parks and Recreation Commission; 4) Planning Commission; 5) Police Advisory Commission; 6) Arts, Culture and Tourism Commission; and 7) Independent Citizens' Oversight Committee (Measure P).

B. This resolution provides the City Council, City staff and the public information regarding the structure, duties, qualifications and responsibilities of City Commissions, Boards and Committees.

C. This resolution provides the process for the appointment and removal of commissioners and board members and the general policies and procedures of City Commissions, Boards, and Committees.

D. This resolution assists in facilitating the City Commission, Board, and Committee operations and in maximizing public participation.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

Section 1. Application Process/Appointment Process/Removal:

Application Process: Applications to serve on City Commissions, Boards, and Committees shall be received by the City Clerk on an ongoing basis and a solicitation/recruitment shall be held commencing annually for any open seats on October 1 (or as soon thereafter). Appointments to Boards and Commissions shall be made only from persons who have applied.

Persons interested in serving may pick up an application from the Office of the City Clerk located at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe, California or downloaded from the City of South Lake Tahoe, City Commissions, Boards, and Committees webpage. Applications will also be mailed, faxed or emailed upon request to the Office of the City Clerk.

During the solicitation/recruitment period, completed applications must be returned to the City Clerk by the deadline set forth in the Notice for the Solicitation period.

The City Clerk shall notify all current commissioners and applicants remaining on the Applicant List.

Appointment Process: The City Clerk will provide the City Councilmembers with copies of all applications received by the prescribed deadline.

The City Clerk will notify all applicants of the date and time of the City Council meeting when appointments will be made. Applicants are encouraged to attend the meeting and be available if they wish to address the City Council or if the City Council wishes to interview the applicant.

The City Council will vote for their appointments following City Council Protocols, ll. Rules of Conduct, 10. Procedure for Motion.

After the appointments have been made, the City Clerk will administer an oath of office to each newly appointed commissioner at their first commission meeting and will provide each commissioner with a copy of the City Commission Handbook which will include this resolution, the City's Code of Ethics and FPPC Financial Disclosure Statements (see Section 4). Those selected, but not present at the Council meeting, will be notified by the City Clerk's Office oftheir appointment.

In accordance with Government Code Section 54972, the City Clerk will prepare and maintain an Appointment List of the names and terms of those voted upon to serve on each City Commission.

Those applicants *not* appointed will be placed on an Applicant List prepared by the City Clerk's Office. The Applicant List will be maintained until the commencement of the next solicitation period. In the event of a vacancy on any Commission or Board, the City Council may appoint from the names remaining on the "Applicant List," and the Appointee selected would serve the remainder of the unexpired term.

Removal: Any Commission, Board, or Committee member may be removed at any time during his or her term, with or without cause, by a majority vote of the City Council.

Section 2. Residency Requirements

The following residency requirements shall apply to members of City Commissions, Boards, and Committees.

A. Members of the Airport Land Use Commission, Arts, Culture and Tourism Commission, Building and Housing Board of Appeals, Independent Citizen's Oversight Committee, Parks and Recreation Commission, and Police Advisory Commission, shall reside within the Tahoe Basin portion of El Dorado County.

B. Members of the Planning Commission shall reside within the City limits.

Section 3. Structure Terms of Office and Qualifications

The Airport Land Use Commission shall consist of two (2) members and shall serve two-year terms, commencing in February of odd numbered years.

The Arts, Culture, and Tourism Commission shall consist of five (5) voting members and two (2) non-voting representatives, serving two-year staggered terms. Three (3) members and one (1) non-voting representative shall have terms commencing in February of odd numbered years and two (2) members and one (1) non-voting representative shall have terms commencing in February of even numbered years. One non-voting representative (even years) will be selected from the South Lake Tahoe Tourism Improvement District or Lake Tahoe Lodging Association and One (1) non-voting representative (odd years) will be selected from the South Lake Tahoe Boys and Girls Club organization. The commission will seek to include members that have a background in tourism and public arts or a multi-cultural perspective. At least one member shall be a youth member with the qualifications listed above. In the event that a youth member does not apply, or are not selected by City Council, then the one position will be available to the general public.

The Building and Housing Board of Appeals shall consist of at least three (3) members, but no more than five (5) members and shall serve two-year terms, commencing in February of odd or even numbered years.

The Independent Citizens' Oversight Committee shall consist of at least five (5) members serving four (4) year terms commencing in February. The Committee shall end upon the completion of the construction of the new recreation complex.

The Parks and Recreation Commission shall consist of seven (7) members serving two-year staggered terms. Four (4) members shall have terms commencing in February of odd numbered years and Three (3) members shall have terms commencing in February of even numbered years.

The Planning Commission shall consist of five (5) members serving two-year staggered terms. Three (3) members shall have terms commencing in February of odd numbered years and two (2) members shall have terms commencing in February of even numbered years.

The Police Advisory Commission shall consist of five (5) members serving two-year staggered terms. Three (3) members shall have terms commencing in February of odd numbered years and two (2) members shall have terms commencing in February of even numbered years. Two members will be reserved for members of the multicultural alliance. In the event two members from the multicultural alliance do not apply, or are not selected by City Council, then the 2 positions will be available to the general public.

Section 4. Adoption of Rules and Procedures

Each Commission, Board, or Committee may adopt its own rules of procedure, provide for the selection of officers, and take such other steps as reasonably required for the conduct of business in conformity with the laws of the State of California.

The Arts, Culture, and Tourism Commission; Parks and Recreation Commission; and Police Advisory Commission, shall meet at least quarterly; the Planning Commission shall meet monthly assuming there is business to conduct; the Airport Land Use Commission, Building and Housing Board of Appeals, and Independent Citizens' Oversight Committee shall meet on an as needed basis. There may be the need or occasion(s) for a Commission, Board, or Committee to hold a special meeting.

In the event any Commissioner, Board, or Committee member has three (3) absences in one calendar year (assuming there have been scheduled meetings to attend), their seat will be deemed to have been vacated and a new appointment will be made in a manner consistent with this resolution.

The Airport Land Use Commission, Arts, Culture, and Tourism Commission, Building and Housing Board of Appeals, Independent Citizens' Oversight Committee, Parks and Recreation Commission, and Planning Commission members are required to comply with the State of California Political Reform Act, regulated by the Fair Political Practices Commission, by filing a Statement of Economic Interests Form 700 with the City Clerk. If any member fails to file the required disclosure statement after written notice from the City Clerk, their seat shall be deemed vacated, and a new appointment will be made in a manner consistent with this resolution.

Section 5. Duties and Responsibilities

Members of Boards and City Commissions shall have the following duties and qualifications:

A. Airport Land Use Commission: The City's Planning Commission, when augmented with the Airport Land Use Commission, shall exercise the following responsibilities set forth in the Airport Comprehensive Land Use Plan (CLUP) under the authority of the California. Public Utilities Code, Chapter 4, Article 3.5, as follows:
   1. The adoption of a basic Airport Land Use Commission Policy Plan, as adopted by the ALUC.
   2. The adoption of land use plans for individual airports, as adopted by the South Lake Tahoe ALUC for Lake Tahoe Airport.
   3. The incorporation of the land use compatibility guidelines contained in the CLUP into the general plan and land use regulations by cities and counties with jurisdiction over any geographic area subject to the CLUP.
   4. ALUC review and determination of compatibility of individual development proposals, general plan amendments, and other land use plans and regulations around airports.

B. Building and Housing Board of Appeals: 1) Hear and decide appeals of orders, decisions or determinations made by the Building Official in the application and interpretation of the Building and Housing related codes adopted by the City Council. 2) Hear and decide appeals regarding requirements of the City relating to the use, maintenance and change of occupancy of buildings and structures, including requirements governing alteration, additions, repair, demolition and moving. 3) Hear

and decide appeals relating to new building construction and appeals relating to existing buildings.

The Board shall have no administrative authority, nor shall it be entitled to waive provisions of the Code in deciding on appeal.

C. Arts, Culture and Tourism Commission: 1) Act in advisory capacity to the City Council and no express authority or power to act on behalf of the City is hereby delegated. 2) Review proposed policies on Arts, Culture and Tourism programs and report findings. 3) Review proposed public arts projects and make recommendations for appropriation of funds for specific projects.

D. Independent Citizens' Oversight Committee: 1) Act in advisory capacity to the City Council and no express authority or power to act on behalf of the City is hereby delegated. 2) The Committee shall receive and review the independent financial audit of the City Measure P transactions and other City financial reports necessary to review and report on the use of revenue from Measure P and advise the City Council of its findings and make recommendations for the use of funding during the design and construction of the new recreational complex.

E. Parks and Recreation Commission: 1) Advise the City Council concerning proposed policies relating to parks and recreation department operations within the City. 2) Review and recommend capital improvement projects in parks and recreation facilities within the City.

F. Planning Commission: 1) Assist in the preparation, update of and recommendations to the City Council concerning the general plan for the physical development of the City. *2)* Perform those duties set forth in Article 7 of the California Government Code under such conditions as the City Council may from time to time establish. 3) Serve as the Delinquent Refuse Hearing Board.

G. Police Advisory Commission: 1) Review and discuss Police Department policy. 2) Receive, review, and discuss annual police employee personnel complaint statistics including number, nature, and outcomes of complaints. 3) Receive, review, and discuss various transparency related reports on RIPA data, use of force, and other information as directed by the commission and allowable by law. 4) Advise and assist the Police Department on recruitment strategies focusing on local and underrepresented populations. 5) Collaborate on community outreach strategies and local cultural competency training for police employees. 6) Open forum to discuss any other police/community issues.

Any decision of any board or commission may be appealed to the City Council in accordance with the procedures established for that purpose.

In order to keep the City Council better informed, all City Commissions, Boards, and Committees via their Commission/Board Clerk, shall provide the City Council with copies of all City Commission/Board agendas and minutes. Each City Commission and Board

shall have the opportunity at each City Council meeting, under agenda item City Commission Reports, to provide a brief report on their commission's activities. All City Commissions, Boards, and Committees shall make a formal written report to the City Council annually at the Council's November meeting.

Section 6. Miscellaneous Matters

All members of Commissions, Boards, and Committees shall be unpaid volunteers and not employees of the City. All members of Boards or Commissions shall be subject to the City's Code of Ethics and the City Clerk shall provide a copy of the City Commission Handbook, which includes the Code of Ethics, to each member of a Commission or Board upon their appointment.

To minimize operational costs, all meetings shall be scheduled in such a manner to reduce or eliminate the payment of overtime to city staff.

Any proposed training and travel expenditures will be provided by city staff to the City Manager for approval.

In compliance with the Brown Act, all meetings shall be open and public, and each meeting shall be audio or video recorded. Action Minutes shall constitute the official Minutes of Commission, Board, or Committee meetings and will serve as documentation of actions taken. Agenda packets shall be made available to the public for review at no charge. Copies, upon request, shall be assessed a fee consistent with the City's Fees & Charges Resolution adopted by the City Council.

The City Council may determine the need or necessity to appoint a Councilmember or City Staff member to serve as liaison to a City Commission, Board, or Committee which could occur during their Councilmember Appointments and Assignments that are held during the second City Council meeting in January of each year or otherwise at a regular meeting in which the item is placed on the agenda.

Section 7. All resolutions in conflict herewith are hereby repealed.

Adopted by the City of South Lake Tahoe City Council on March 14, 2023, by the following vote:
Yes: Bass, Creegan, Friedrich, Robbins and Wallace

Cristi Creegan
Cristi Creegan (Mar 16, 2023 15:37 PDT)

Date: Mar 16, 2023

Cristi Creegan, Mayor

Attest:

Sue Blankenship (Mar 15, 2023 08:39 PDT)

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council

Res 2023-013 City Commission-Boards

Final Audit Report 2023-03-16

Created:	2023-03-14
By:	jo Mcdonough (jmcdonough@cityofslt.us)
Status:	Signed
Transaction ID:	CBJCHBCAABAAy1vMDMm7WpAKxF1Xi_zlG27X04UlylVM

"Res 2023-013 City Commission-Boards" History

Document created by jo Mcdonough (jmcdonough@cityofslt.us)
2023-03-14 - 11:37:13 PM GMT- IP address: 128.92.136.146

Document emailed to Sue Blankenship (sblankenship@cityofslt.us) for signature
2023-03-14 - 11:39:59 PM GMT

Email viewed by Sue Blankenship (sblankenship@cityofslt.us)
2023-03-15 - 3:38:50 PM GMT- IP address: 104.47.65.254

Document e-signed by Sue Blankenship (sblankenship@cityofslt.us)
Signature Date: 2023-03-15 - 3:39:08 PM GMT - Time Source: server- IP address: 128.92.136.146

Document emailed to ccreegan@cityofslt.us for signature
2023-03-15 - 3:39:09 PM GMT

Email viewed by ccreegan@cityofslt.us
2023-03-16 - 10:37:19 PM GMT- IP address: 47.25.118.95

Signer ccreegan@cityofslt.us entered name at signing as Cristi Creegan
2023-03-16 - 10:37:35 PM GMT- IP address: 47.25.118.95

Document e-signed by Cristi Creegan (ccreegan@cityofslt.us)
Signature Date: 2023-03-16 - 10:37:37 PM GMT - Time Source: server- IP address: 47.25.118.95

Agreement completed.
2023-03-16 - 10:37:37 PM GMT

Names and email addresses are entered into the Acrobat Sign service by Acrobat Sign users and are unverified unless otherwise noted.

Adobe Acrobat Sign

CITY OF SOUTH LAKE TAHOE

VOLUNTEER COMMISSION/BOARD MEMBER APPLICATION

Please Legibly Print or Type

NAME: FIRST MIDDLE INITIAL LAST COMMITTEE AND/OR CATEGORY APPLYING FOR:
Rachel A Carlson Arts, Culture and Tourism Commission

RESIDENCE: STREET ADDRESS [redacted] CITY STATE ZIP CODE

MAILING ADDRESS: P.O. BOX CITY STATE ZIP CODE
same as above

RESIDENCY: (Please select one)
CITY RESIDENT ☑ EL DORADO COUNTY RESIDENT ☐ DOUGLAS COUNTY RESIDENT ☐ STATE OF NEVADA RESIDENT ☐

PHONE NUMBER(S): RESIDENCE: [redacted] BUSINESS: EMAIL ADDRESS:

EMPLOYER:
self, Black Bear Lodge

EDUCATION/EXPERIENCE:

BA, Cal Poly San Luis Obispo

PLEASE LIST ANY PAST OR PRESENT COMMUNITY INVOLVEMENT AND/OR GROUP AFFILIATIONS:

Involved in Ski Run BID and Friends of Ski Run

WHAT DO YOU SEE AS THE RESPONSIBILITIES OF THIS COMMITTEE AND WHAT DO YOU HOPE TO ACCOMPLISH IF APPOINTED?

I see the responsibility of this committee is to review policies and projects and make recommendations to city council. I believe that my experience as a longtime local and passionate business person make an excellent candidate for this role. I'll work hard to connect available funds to ready to go projects

Have you taken the opportunity to attend any previous commission meeting prior to the notice of this vacancy?
YES ☐ NO ☑

Please list any potential conflict of interests that you may foresee if appointed to the Commission that you've applied:
none

If appointed to the Airport Land Use Commission, Planning Commission Building Board of Appeals, Parks & Recreation Commission, Arts, Culture and Tourism Commission or Independent Citizens' Oversight Commitee, you will be required by the State of California Fair Political Practices Commission to file a Conflict of Interest Statement with the City Clerk. Will you be willing to comply with this requirement?

YES ☑ NO ☐

CERTIFICATE OF APPLICANT:
I certify that all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualifi[redacted]

DATE: 7/25/23 SIGNATURE: [redacted]

Please note that the information provided on this application, including address, phone number and email address will become a matter of public record.

WHEN COMPLETED RETURN FORM
TO: Office of the City Clerk
Attn: Susan Blankenship - City Clerk
1901 Lisa Maloff Way, Ste 206
South Lake Tahoe, CA 96150-6324
PH: (530) 542-6005
sblankenship@cityofslt.us

July 25, 2023

Hello Art, Culture and Tourism Commission:

My name is Rachel and I am very interested in becoming a part of the Art, Culture and Tourism Commission. I'm a passionate business owner and know how much public art can impact a town. I'm inspired to bring the community together around our shared love for this special place and have a deep sensitivity to Tourism.

I own and operate a small hotel. I understand that many businesses and as such, employees, survive on tourism. I think there is a balance to be struck somewhere between us versus them. There is a collective "we" in there and communication about important issues can be communicated through art.

I hope I have the opportunity to make an impact on this beautiful town that I call home.

Thank you for your consideration.

Rachel Carlson
Owner, Black Bear Lodge

CITY OF SOUTH LAKE TAHOE

VOLUNTEER **COMMISSION/BOARD MEMBER APPLICATION**

Please Legibly Print or Type

NAME: FIRST	MIDDLE INITIAL	LAST	COMMITTEE AND/OR CATEGORY APPLYING FOR:
Aubrie	S.	Williams	Arts, Culture, & Tourism

RESIDENCE: STREET ADDRESS	CITY	STATE	ZIP CODE
[redacted]			

MAILING ADDRESS: P.O. BOX	CITY	STATE	ZIP CODE
[redacted]			

RESIDENCY: (Please select one)

CITY RESIDENT ☐ EL DORADO COUNTY RESIDENT ☑ DOUGLAS COUNTY RESIDENT ☐ STATE OF NEVADA RESIDENT ☐

PHONE NUMBER(S): [redacted] RESIDENCE: BUSINESS: EMAIL ADDRESS: [redacted]

Lake Tahoe Preschool- Teacher

EDUCATION/EXPERIENCE:

BFA Painting; BA Art History, Visual Artist, Teaching Artist, Workshop Facilitator, Curator

PLEASE LIST ANY PAST OR PRESENT COMMUNITY INVOLVEMENT AND/OR GROUP AFFILIATIONS:

Board member @ STEP ONE SCHOOL, teaching artist for GREEN ART WORKSHOP, Curator for the

Westmoreland Art Nationals; all prior to moving to Tahoe

WHAT DO YOU SEE AS THE RESPONSIBILITIES OF THIS COMMITTEE AND WHAT DO YOU HOPE TO ACCOMPLISH IF APPOINTED?

To engage the public's curiosity, to bring Art and Vibrancy to our beautiful town, and to create a space

For local artists and craftsman of all types to thrive.

Have you taken the opportunity to attend any previous commission meeting prior to the notice of this vacancy?

YES ☐ NO ☑

Please list any potential conflict of interests that you may foresee if appointed to the Commission that you've applied:

_____

If appointed to the Airport Land Use Commission, Planning Commission Building Board of Appeals, Parks & Recreation Commission, Arts, Culture and Tourism Commission or Independent Citizens' Oversight Commitee, you will be required by the State of California Fair Political Practices Commission to file a Conflict of Interest Statement with the City Clerk. Will you be willing to comply with this requirement?

YES ☑ NO ☐

CERTIFICATE OF APPLICANT:

I certify that all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualification or dismissal.

DATE: 06/20/2023 SIGNATURE [redacted]

Please note that the information provided on this application, including address, phone number and email address will become a matter of public record.

WHEN COMPLETED RETURN FORM
TO: Office of the City Clerk
Attn: Susan Blankenship - City Clerk
1901 Lisa Maloff Way, Ste 206
South Lake Tahoe, CA 96150-6324
PH: (530) 542-6005
sblankenship@cityofslt.us

Item A

CITY OF SOUTH LAKE TAHOE
VOLUNTEER COMMISSION/BOARD MEMBER APPLICATION

Please Legibly Print or Type

NAME: FIRST	MIDDLE INITIAL	LAST	COMMITTEE AND/OR CATEGORY APPLYING FOR:
Nolan	A	Barichievich	Arts, Culture + Tourism

RESIDENCE: STREET ADDRESS	CITY	STATE	ZIP CODE
[redacted]	SLT	CA	96150

MAILING ADDRESS:	P.O. BOX	CITY	STATE	ZIP CODE
Same as above				

RESIDENCY: (Please select one)
CITY RESIDENT ☐ EL DORADO COUNTY RESIDENT ☒ DOUGLAS COUNTY RESIDENT ☐ STATE OF NEVADA RESIDENT ☐

PHONE NUMBER(S): RESIDENCE: BUSINESS: EMAIL ADDRESS:
[redacted]

EMPLOYER:
Student

EDUCATION/EXPERIENCE:
Sophomore at Bishop Manogue High School

PLEASE LIST ANY PAST OR PRESENT COMMUNITY INVOLVEMENT AND/OR GROUP AFFILIATIONS:
Lead role in HS musical - Addams Family, Speech + Debate Team, Mental Health Awareness Club, Film Club, Glee Club, Music Ministry, and 26 hrs. of community service working with children + singing at church as a freshman

WHAT DO YOU SEE AS THE RESPONSIBILITIES OF THIS COMMITTEE AND WHAT DO YOU HOPE TO ACCOMPLISH IF APPOINTED?
I see this role as a student commissioner for the Arts, Culture + Tourism Commission serving as an advisor to the City Council to promote SLT's artistic + cultural assets. I hope to integrate the arts into*

Have you taken the opportunity to attend any previous commission meeting prior to the notice of this vacancy?
YES ☐ NO ☒ but have reviewed prior YouTube meetings

Please list any potential conflict of interests that you may foresee if appointed to the Commission that you've applied:

If appointed to the Airport Land Use Commission, Planning Commission, Building Board of Appeals, Parks & Recreation Commission, Arts, Culture and Tourism Commission or Independent Citizens' Oversight Committee, you will be required by the State of California Fair Political Practices Commission to file a Conflict of Interest Statement with the City Clerk. Will you be willing to comply with this requirement?

YES ☒ NO ☐

CERTIFICATE OF APPLICANT:
I certify that all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualification or dismissal.

DATE: 6-28-2023 SIGNATURE [redacted]

Please note that the information provided on this application, including address, phone number and email address will become a matter of public record.

*the community which will foster SLT tourism.

WHEN COMPLETED RETURN FORM
TO: Office of the City Clerk
Attn: Susan Blankenship - City Clerk
1901 Lisa Maloff Way, Ste 206
South Lake Tahoe, CA 96150-6324
PH: (530) 542-6005
sblankenship@cityofslt.us

CITY OF SOUTH LAKE TAHOE

VOLUNTEER **COMMISSION/BOARD MEMBER APPLICATION**

Please Legibly Print or Type

NAME: FIRST	MIDDLE INITIAL	LAST	COMMITTEE AND/OR CATEGORY APPLYING FOR:
Charles CG Averett			

RESIDENCE: STREET ADDRESS	CITY	STATE	ZIP CODE
[redacted] South Lake Tahoe, CA 96150			

MAILING ADDRESS: P.O. BOX	CITY	STATE	ZIP CODE
[redacted] Camino, CA 95709			

RESIDENCY: (Please select one)

CITY RESIDENT ☐ EL DORADO COUNTY RESIDENT ☑ DOUGLAS COUNTY RESIDENT ☐ STATE OF NEVADA RESIDENT ☐

PHONE NUMBER(S): RESIDENCE:	BUSINESS:	EMAIL ADDRESS:
[redacted]		

EMPLOYER:
Mountain West Aviation

EDUCATION/EXPERIENCE:

6+ years working at Mountain West Aviation - TVL, licensed pilot,Bachelors in Science from University of Tampa.

PLEASE LIST ANY PAST OR PRESENT COMMUNITY INVOLVEMENT AND/OR GROUP AFFILIATIONS:

Participate in epic promise through vail corp.

WHAT DO YOU SEE AS THE RESPONSIBILITIES OF THIS COMMITTEE AND WHAT DO YOU HOPE TO ACCOMPLISH IF APPOINTED?

Provide more accurate opinions and feed back from airport customers to the city of SLT.

Have you taken the opportunity to attend any previous commission meeting prior to the notice of this vacancy?

YES ☐ NO ☑

Please list any potential conflict of interests that you may foresee if appointed to the Commission that you've applied:

_____

If appointed to the Airport Land Use Commission, Planning Commission Building Board of Appeals, Parks & Recreation Commission, Arts, Culture and Tourism Commission or Independent Citizens' Oversight Commitee, you will be required by the State of California Fair Political Practices Commission to file a Conflict of Interest Statement with the City Clerk. Will you be willing to comply with this requirement?

YES ☑ NO ☐

CERTIFICATE OF APPLICANT:

I certify that all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualification or dismissal.

DATE: 07/25/2023 SIGNATURE: [redacted]

Please note that the information provided on this application, including address, phone number and email address will become a matter of public record.

WHEN COMPLETED RETURN FORM
TO: Office of the City Clerk
Attn: Susan Blankenship - City Clerk
1901 Lisa Maloff Way, Ste 206
South Lake Tahoe, CA 96150-6324
PH: (530) 542-6005
sblankenship@cityofslt.us

CITY OF SOUTH LAKE TAHOE

VOLUNTEER **COMMISSION/BOARD MEMBER APPLICATION**

Please Legibly Print or Type

NAME: FIRST MIDDLE INITIAL LAST COMMITTEE AND/OR CATEGORY APPLYING FOR:
Joshua L Cleaver Airport Land Use Commission

RESIDENCE: STREET ADDRESS CITY STATE ZIP CODE
[redacted]

MAILING ADDRESS: P.O. BOX CITY STATE ZIP CODE
Same

RESIDENCY: (Please select one)
CITY RESIDENT ☐ EL DORADO COUNTY RESIDENT ☐ DOUGLAS COUNTY RESIDENT ☐ STATE OF NEVADA RESIDENT ☐

PHONE NUMBER(S): RESIDENCE: BUSINESS: EMAIL ADDRESS:
[redacted]

EMPLOYER:
California Department of Forestry and Fire Protection

EDUCATION/EXPERIENCE:

Environmental attorney with prior experience at Portland airport (PDX), land use planning, general plan, and public utilities codes. Please see my Linkedin profile for additional experience.

PLEASE LIST ANY PAST OR PRESENT COMMUNITY INVOLVEMENT AND/OR GROUP AFFILIATIONS:

WHAT DO YOU SEE AS THE RESPONSIBILITIES OF THIS COMMITTEE AND WHAT DO YOU HOPE TO ACCOMPLISH IF APPOINTED?

Review and determine compatibility with general plan, and surrounding land uses to be acceptable to the health and safety of surrounding properties.

Have you taken the opportunity to attend any previous commission meeting prior to the notice of this vacancy?

YES ☑ NO ☐

Please list any potential conflict of interests that you may foresee if appointed to the Commission that you've applied:

_____

If appointed to the Airport Land Use Commission, Planning Commission Building Board of Appeals, Parks & Recreation Commission, Arts, Culture and Tourism Commission or Independent Citizens' Oversight Commitee, you will be required by the State of California Fair Political Practices Commission to file a Conflict of Interest Statement with the City Clerk. Will you be willing to comply with this requirement?

YES ☑ NO ☐

CERTIFICATE OF APPLICANT:

I certify that all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualification or dismissal.

DATE: 07/25/2023 SIGNATURE: [redacted]

Please note that the information provided on this application, including address, phone number and email address will become a matter of public record.

WHEN COMPLETED RETURN FORM
TO: Office of the City Clerk
Attn: Susan Blankenship - City Clerk
1901 Lisa Maloff Way, Ste 206
South Lake Tahoe, CA 96150-6324
PH: (530) 542-6005
sblankenship@cityofslt.us

CITY OF SOUTH LAKE TAHOE
VOLUNTEER COMMISSION/BOARD MEMBER APPLICATION

Please Legibly Print or Type

NAME: FIRST	MIDDLE INITIAL	LAST	COMMITTEE AND/OR CATEGORY APPLYING FOR:
Chelcee	Y.	Thomas	El Dorado County Community Action Council

RESIDENCE: STREET ADDRESS	CITY	STATE	ZIP CODE
[redacted]	South Lake Tahoe	CA	96150

MAILING ADDRESS:	P.O. BOX	CITY	STATE	ZIP CODE
Same as above.				

RESIDENCY: (Please select one)
CITY RESIDENT ☑ EL DORADO COUNTY RESIDENT ☐ DOUGLAS COUNTY RESIDENT ☐ STATE OF NEVADA RESIDENT ☐

PHONE NUMBER(S): RESIDENCE: BUSINESS: EMAIL ADDRESS:
[redacted]

EMPLOYER:
Live Violence Free

EDUCATION/EXPERIENCE:

Please see attached response.

PLEASE LIST ANY PAST OR PRESENT COMMUNITY INVOLVEMENT AND/OR GROUP AFFILIATIONS:

Please see attached response.

WHAT DO YOU SEE AS THE RESPONSIBILITIES OF THIS COMMITTEE AND WHAT DO YOU HOPE TO ACCOMPLISH IF APPOINTED?

Please see attached response.

Have you taken the opportunity to attend any previous commission meeting prior to the notice of this vacancy?
YES ☑ NO ☐

Please list any potential conflict of interests that you may foresee if appointed to the Commission that you've applied:
None.

If appointed to the Airport Land Use Commission, Planning Commission Building Board of Appeals, Parks & Recreation Commission, Arts, Culture and Tourism Commission or Independent Citizens' Oversight Commitee, you will be required by the State of California Fair Political Practices Commission to file a Conflict of Interest Statement with the City Clerk. Will you be willing to comply with this requirement?

YES ☑ NO ☐

CERTIFICATE OF APPLICANT:
I certify that all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualifi[redacted]

DATE: 06/22/203 SIGNATURE: [redacted]

Please note that the information provided on this application, including address, phone number and email address will become a matter of public record.

WHEN COMPLETED RETURN FORM
TO: Office of the City Clerk
Attn: Susan Blankenship - City Clerk
1901 Lisa Maloff Way, Ste 206
South Lake Tahoe, CA 96150-6324
PH: (530) 542-6005
sblankenship@cityofslt.us

Volunteer Commission/Board Member Application
Chelcee Thomas
El Dorado County Community Action Council

Education and Experience:

My educational background is in sociology and public administration. I have previously participated in county commissions and advisory boards. I am deeply passionate about our community and bring experience in community issues, collaborative partnerships, and advocacy.

Past or Present Community Involvement and/or Group Affiliations:

I am currently involved as a Board member with Soroptimist International of South Lake Tahoe, Mountain High Recovery Center, El Dorado County Opportunity Knocks Continuum of Care, and Embarc Tahoe Community Advisory Board. I am also the Co-Chair of the Lake Tahoe Collaborative.

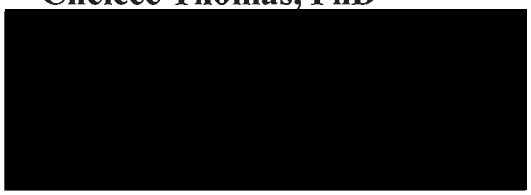
I was previously involved as a Commissioner for the Adult and Family Services Commission of Nevada County and Chair of the Tahoe Truckee Child Abuse Prevention Council.

What do You See as the Responsibilities of this Committee and what do You Hope to Accomplish if Appointed:

I believe the El Dorado County Community Action Council serves a critical role in advising and advocating on issues and needs related to the Community Action programs. This group has a responsibility to participate in collaborative solutions and advocate for our most vulnerable community members.

If appointed to the Council, I would prioritize serving as a community voice and advocate. I would hope to promote innovative problem solving and ensuring that the County is meeting the needs of our community.

Chelcee Thomas, PhD



SUMMARY OF QUALIFICATIONS

- Management skills in programs and projects, including directing, developing, planning, implementing, monitoring, budgeting, and evaluating.
- Effectively conduct research, collect data, and analyze material for organizational, program, and project needs.
- Applied knowledge of principles, programs, and practices related to governance, sociology, social services, criminology, criminal justice, collective impact, community development, organizational leadership, public administration and public policy.
- Specialized expertise in social equity issues and social problems, community programs and services, cross-sector initiatives, social research, strength and equity-based practices, coalition building, and models of collaboration.
- Demonstrated experience in facilitating trainings, meetings, and presentations for stakeholders, partners, organizations, and staff.
- Successful advocacy, coordinating, and coalition-building skills to support community needs, social issues, and collaborative initiatives.
- Leadership and supervisory skills in management of a team of staff, including recruitment, hiring, training, supervision, coaching, and evaluation.
- Developed public outreach skills as an external representative and organizational liaison for varying partnerships, coordinated efforts, and organizational needs.
- Proven ability to develop positive rapport and demonstrated sensitivity with diverse populations, service providers, and stakeholders.
- Strong interpersonal and collaborative skills in cultivating and managing partnerships, strategy development processes, and collective impact.
- Excellent written and oral communication skills, with emphasis in public outreach, community collaboration, and management processes.
- Highly organized, with extensive experience working towards innovative, systems-level, and results-driven practices in both teams and independent efforts.

EDUCATION

Doctor of Public Administration **2021**
Walden University, Minneapolis, Minnesota

Master of Arts, Sociology, Criminology Concentration **2014**
University of Colorado Denver, Denver, Colorado

Bachelor of Science, Social Sciences, Cross-Cultural Concentration **2009**
California Polytechnic State University, San Luis Obispo, California

PROFESSIONAL EXPERIENCE

Executive Director, Live Violence Free **Oct. 2020 – Present**
South Lake Tahoe, CA

- Monitor programs for effectiveness and accountability
- Participate and facilitate various meetings within the organization
- Represent the organization at various meetings held in the community; act as the liaison for Live Violence Free; actively participate in the community
- Inform the Board of Directors about unmet needs, problems and gaps in services, and achievements and directions with the organization
- Provide oversight of supervised services in accordance with policies, State laws and regulations, and accepted professional standards.
- Employ, direct and terminate staff in accordance with the personnel policies of the agency
- Oversee the budge of the organization
- Understand all grant programs and services
- Grow the organization annually in unrestricted operating funding
- Provide leadership to Board, staff, volunteers and other stakeholders
- Implement the organization's vision and strategy and facilitate agency strategic plan
- Support staff on a day-to-day bases and provide them with opportunities for growth and professional development
- Regularly assess and refine the organization's structure and staffing to ensure effectiveness and capacity.

Program Director, Family Resource Center of Truckee
Truckee, CA **July 2015 - Oct. 2018**

- Directed Family Support and Early Learning programs, including developing, planning, implementing, monitoring, budgeting, and evaluating of programs
- Collaborated with staff and local agencies to deliver coordinated equity and strength-based support services and programs for community members, including early learning, affordable housing, food security, social services, employment, legal aid, health insurance, and education
- Managed team of Family Advocates, contractors, and volunteers in coordination, monitoring, and evaluation
- Evaluated and analyzed program metrics and impact outcomes
- Developed and monitored outcomes and evaluation measures for all programs, including oversight of data management system, data collection, analysis, and reporting
- Submitted grant applications, managed a portfolio of grants, and completed reports to funders, including government, business, and community foundation grants
- Supported fundraising efforts through targeted philanthropic strategies within the community
- Regularly facilitated presentations and reports to Board of Directors, informing about needs, gaps in services, achievements, and recommendations
- Developed materials for community outreach and public relations, while representing the organization in outreach, public presentations, and partnership building opportunities
- Planned community-wide events, workshops, and classes that were accessible and inclusive to all community members

- Coordinated with community organizations and government agencies, serving as a liaison in activities, meetings, and events
- Facilitated the collaboration of community partners towards collective community impact
- Served as member of organizational leadership to establish goals and strategies, cultivate stakeholder partnerships, and implement programs and project

Site Coordinator, Communities in Schools of Western Nevada
Reno, NV **July 2014 - July 2015**

- Collaborated with organization staff and high school campus entity for planning, implementing, and evaluating developed site operations plan
- Coordinated community's services and agencies for the benefit of students and their families
- Trained and supervised organizational volunteers and mentors
- Established and maintained productive relationships with school-wide staff and community partners
- Assessed campus needs, developed services, plan and implemented solutions, and evaluated such programming, services, and events
- Conducted case management of high school students, including the recruitment and enrollment of students, coordinating and completing intake, assessment, and service delivery, and supervising and monitoring student progress
- Completed proper documentation and reporting through data management systems and weekly reports for evaluation purposes
- Performed budget management, monitored organizational needs, and coordinated the acquisition of program donations

Program Intern, Incarcerated Voices
Denver, CO **Aug. 2013 - Dec. 2013**

- Collaborated with organizational staff to develop and support a prison-based writing program
- Analyzed the experiences of incarcerated persons through their written responses
- Developed weekly journal articles for newsletters published by the organization
- Assisted in reviewing incarcerated persons' writing, offering critiques and feedback via mail correspondence communication
- Participated in weekly meetings with interns and staff to address programmatic needs and overall success

Financial Aid Assistant, Lake Tahoe Community College
South Lake Tahoe, CA **Nov. 2011 - Aug. 2012**

- Assisted students with financial aid applications, scholarships, and additional campus information
- Supported student success and satisfaction through financial aid services
- Developed and delivered presentations to students to promote understanding of financial aid services, processes, and strategies for success
- Completed administrative tasks such as scheduling meetings and appointments, filing, mailings, and other clerical duties
- Communicated with diverse populations, including the community, students, and staff

- Served as a liaison between students and the Director of Financial Aid

Program Leader, Boys and Girls Club of Lake Tahoe
South Lake Tahoe, CA **July 2011 - Aug. 2012**

- Developed and implemented learning activities and programs for youth
- Collaborated with community partners, including nonprofit organizations, public agencies, and community stakeholders to bolster programming and the organization
- Communicated with parents, schools, and the community to develop strong working relationships and resources
- Assisted with reporting, tracking, and data collection for grant reports and organizational needs
- Ensured a safe, productive, and organized environment for youth and staff

Corps Member, City Year Seattle/King County
Seattle, WA **Sept. 2009 - June 2010**

- Served economically and educationally disadvantaged middle school students in an alternative suspension program
- Created and facilitated workshops for youth to develop academic and life skills
- Provided mentorship to youth through models of emotional support and positive youth development
- Monitored progress of students in suspension program, including assessing needs, providing interventions, and tracking outcomes
- Recruited and managed volunteers for community-wide service events
- Participated and planned weekly leadership development days for staff and corps members

Grassroots Community Development Intern, International Internships
Pune, India **June – August 2008**

- Supported the educational development of children in local villages of India
- Created a five-year development plan for non-profit organization
- Designed and facilitated weekly lesson plans and activities for school-aged children in various educational institutions
- Conducted recreational workshops for adults with disabilities
- Assisted with organizing women empowerment groups

TEACHING EXPERIENCE

Adjunct Faculty, Lake Tahoe Community College
South Lake Tahoe, CA **Jan. 2017 - Present**

- Prepare and maintain course materials such as syllabi, supplemental handouts, in-class activities and homework assignments
- Create and deliver course materials, including lectures and online presentations
- Develop course content and structure, lesson plans, discussions, and assignments
- Initiate and facilitate group discussions to encourage students to apply the course material
- Utilize participatory and critical thinking practices in lectures, discussions, and assignments

- Apply active learning methods and utilize various instructional strategies for varying learners
- Evaluate student performance and student writing with an emphasis on skills that are transferable to other classes and contexts
- Assess students based on institutional student learning outcomes
- Respond to the needs of students to support academic and overall success
- Complete instructor responsibilities for the institution including records and forms
- Participate in training opportunities, including Canvas online learning management system, teaching pedagogy, and other institutional-related topics

Teaching Assistant, University of Colorado Denver
Denver, CO **Sept. 2012 - May 2014**

- Assisted undergraduate introductory and upper-level courses in sociology, criminology, social research, and statistics
- Supported assigned professors with grading student work and researching for lecture topics
- Collaborated with assigned professors to discuss student learning and teaching strategies
- Created supplemental course materials for students
- Facilitated classroom discussions with students from diverse backgrounds
- Instructed students through lecture material, including topics in sociology and criminology
- Served undergraduate students during office hours, supporting their needs relating to the coursework and assignments

RESEARCH EXPERIENCE

Doctor of Public Administration Capstone Project, Walden University
Minneapolis, Minnesota **Aug. 2019 – May 2021**

- Collaborate with nonprofit organization to complete a comprehensive 25-year program evaluation of a community collaborative
- Complete stages of professional administrative study, including prospectus, proposal, Institutional Review Board approval, data collection and analysis, and synthesis of results in final report
- Conduct extensive literature review on models of collaboration, collective impact, community collaboratives, program evaluations, and case study approach
- Utilize qualitative research methodologies to collect and analyze primary and secondary data
- Develop and administer survey and interview instruments to key informants
- Analyze historical and archival documents from the organization
- Use research analysis software, including Atlas.ti, to analyze qualitative data
- Analyze data to determine whether the program has achieved its intended outcomes
- Synthesize study results in final report to university and organization

Master's Report and Project, University of Colorado Denver
Denver, CO **Sept. 2013 - May 2014**

- Analyzed literature and empirical research on public policy, criminal offending, recidivism, prison-based education, and supportive programming
- Collaborated with a non-profit organization to develop and implement strategic planning

- Conducted a needs assessment and evaluation of the program and non-profit organization
- Completed a grant application to secure funding for the non-profit organization and expanding its program

Graduate Research Assistant, University of Colorado Denver
Denver, CO **Dec. 2013 - May 2014**

- Assisted with qualitative research projects
- Utilized appropriate research technology and software, including SPSS, SAS and Atlas.ti
- Coded qualitative data for analysis
- Collaborated with senior researcher and professor to complete data analysis and synthesis

LEADERSHIP EXPERIENCE

Chair, Lake Tahoe Collaborative
South Lake Tahoe **October 2020 – Present**

- Convene community stakeholders for collaboration and collective action to build stability and resiliency within the Lake Tahoe community
- Coordinate and facilitate monthly meetings of Collaborative members, with the focus on training, resource sharing, and coordinated efforts.
- Provide advocacy for effective solutions to address social and community issues impacting children and families.

Commissioner, Adult and Family Services Commission of Nevada County
Nevada City, CA **April 2017 - Nov. 2018**

- Represented the community to the Board of Supervisors on issues regarding health and human services and family interests of all residents of Nevada County
- Provided policy advice to the Board of Supervisors
- Evaluated county health and human services programs
- Participated in long-range planning processes
- Identified and coordinated community resources to be used to provide collaborative solutions to health and human services needs
- Provided oversite on the extent and the quality of the participation of low-income constituents in funded programs
- Educated the community on health and human services needs

Chair, Tahoe Truckee Child Abuse Prevention Council
Truckee, CA **Jan. 2017 - Nov. 2018**

- Coordinated and facilitated monthly meetings of council members, including community organizations, educational institutions, and community members
- Convened stakeholders and collaborated with council members to improve the communication and coordination of services among existing public and private agencies and community stakeholders including parents
- Facilitated training opportunities for professionals, parents, and volunteers
- Promoted public education and awareness designed to strengthen families and prevent child abuse and neglect
- Provided advocacy for an effective system of child abuse prevention, intervention and treatment

COMPLETED TRAINING AND CERTIFICATIONS

- Family Strengthening and Protective Factors Frameworks
- On the Verge Leadership Program
- Mini-Crisis Intervention Training
- Restorative Circles
- Bridges Out of Poverty
- Facilitating Change Talk
- Leading for Equity in Complex Systems
- Public Service Ethics Education Certification
- Canvas Online Teaching Management System Certification

PROFESSIONAL AFFILIATIONS

- Member, *American Sociological Association* 2016 - Present
- Member, *Pi Alpha Alpha National Honor Society* 2016 - Present

ADDITIONAL SKILLS

- Google Suite
- Microsoft Office
- Research Analysis Software: Atlas.ti, SPSS, SAS

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 18

Agenda Item: Residential Parking Permit Program

Executive Summary: The City has received several requests from several neighborhoods for establishing a Residential Parking Permit Program RPPP), including the Heavenly Valley area and Lakeside neighborhoods. Adopting this ordinance will allow each neighborhood or street segment to petition for RPPP, if it meets certain requirements. Once the City receives a petition and meets the requirements in the Ordinance, the Council may pass a Resolution establishing RPPP for the particular roadways.

Requested Action / Suggested Motions: Pass a Motion to hold the first reading of an Ordinance amending South Lake Tahoe City Code, Title 4, Chapter 4.25, Article V (Stopping, Standing and Parking) by adding Section 4.25.365 (Residential Parking Permit Program), and refer the second reading and adoption to the September 12, 2023 meeting.

Responsible Staff Member: Anush Nejad, Director of Public Works, David Stevenson, Chief of Police

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff_Report_RPPP_Final.docx
02 - Residential_Parking_Permit_Program_Ordinance_Final.docx
03 - RPPP.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 8, 2023

Title: Residential Parking Permit Program

Location: Citywide

Responsible Staff Member: Anush Nejad, Director of Public Works - (530) 542-6031
David Stevenson, Chief of Police – (530) 542-6120

Background: City staff has received several requests for Residential Parking Permit Program (RPPP), specifically from the Heavenly Valley and Tahoe Meadow residents. These neighborhoods and others near recreational and tourist activities are adversely impacted by motor vehicle congestion, particularly the long-term parking of motor vehicles on the streets. In these areas, non-resident vehicles substantially and regularly interfere with the use of most available on-street spaces by adjacent residents, interfering with regular and significant daily or weekly intervals. The volume of non-resident vehicles in these certain areas causes unreasonable traffic hazards, noise, and trash impacts. A shortage of reasonably available and convenient residential-related parking spaces exists in these areas, and alternative solutions are not feasible or practical. The City has authority under California Vehicle Code section 22507 to grant preferential parking privileges to residents on streets where parking is otherwise prohibited.

Issue and Discussion: To protect these areas and neighborhoods, it is necessary to enact parking regulations restricting parking by nonresidents while allowing residents to park near their homes. In these situations, uniform parking regulations restricting residents and nonresidents alike would not serve the public interest. Rather such regulation would contribute to neighborhood decline while ignoring alternatives to automobile travel available to nonresidents who park in these areas. For these reasons, a system of prereferral resident parking is needed. This system is called Residential Parking Permit Program (RPPP).

For the purpose of this RPPP Ordinance, a “resident” would be defined as “a person who owns or rents a dwelling unit within a residential permit parking zone for their own living accommodations, including owner-occupants, long-term tenants, and second homeowners.”

RPPP has the following general benefits:

- Reducing potential hazardous traffic conditions resulting from the long-term parking of vehicles or tourists in such areas and neighborhoods.
- Protecting neighborhoods from polluted air, excessive noise, trash and refuse caused by motor vehicles.
- Protecting the residents of such areas and neighborhoods from unreasonable burdens in obtaining parking near their residence and gaining access to their residence.

- Preserving the character of such areas and neighborhoods as residential, promoting the efficiency of the maintenance of the streets in a clean and safe condition.
- Preserving the value of properties in such areas and neighborhoods.
- Preserving the safety of children, pedestrians, and bicyclists.
- Promoting traffic safety and the peace, good order, conform, convenience, and general welfare of the inhabitant of the City of South Lake Tahoe.

The proposed RPPP can be designated for certain streets or any portions thereof if the City Council, upon finding that such zone is required to provide reasonably available and convenient parking for the benefit of adjacent residents, as residential permit parking zones, in which zones vehicles displaying a permit that is visible from the outside of the vehicle are exempt from parking prohibitions otherwise posted. Residents and neighborhoods can request or petition for an RPPP to the Police Chief or Director of Public Works. City staff will evaluate the request, and if justified based on traffic and parking impacts, the request will be presented to the City Council for formal review and approval.

Once a RPPP zone has been approved, the City Manager would develop an application for residential parking permits. Applicants for such permits must present proof of residence adjacent to the area designated as a residential permit parking zone. Permits for multifamily units will be issued to the property owner for distribution to tenants. Two guest vehicle permits will be issued per the address of the applicant(s). Permits are to be effective for one year from the date of issuance.

Financial Implications: There will be a cost to administer the RPPP program, which is expected to be offset by the permit fees. The cost of the permit will be based on expected administrative costs and will be presented to the City Council with the second reading of the Ordinance, scheduled for September 12, 2023. The Fee Schedule will be updated annually based on actual expenses.

Environmental Considerations: This project is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15301(c) (Existing Facilities) because the Ordinance addresses parking regulations on existing roadways.

Policy Implications: This project advances the City Council Strategic Priorities and Goals, specifically related to traffic safety and neighborhood preservation.

Ordinance 2023-XXX

Adopted by the City of South Lake Tahoe City Council

September 12, 2023

An Ordinance Amending South Lake Tahoe City Code Title 4, Chapter 4.25 to Add Section 4.25.365 (Residential Parking Permit Program) to Designate Areas Where On-Street Parking Permits are Available to Residents of Streets Where Parking is Otherwise Prohibited

FINDINGS

A. The City has authority under California Vehicle Code section 22507 to grant preferential parking privileges to residents on streets where parking is otherwise prohibited.

B. The Public Works Director/City Traffic Engineer recommends adopting this Ordinance to establish a Residential Parking Permit Program that would allow the City Council to designate such areas where on-street parking permits are available to residents of streets where parking is otherwise prohibited.

Now, Therefore, the City Council of City of South Lake Tahoe does ordain as follows:

SECTION 1. South Lake Tahoe City Code Title 4, Chapter 4.25 (Motor Vehicles and Traffic), is hereby amended to add Section 4.25.365 (Residential Parking Permit Program) as follows:

4.25.365 Residential Parking Permit Program.

A. City Council Findings. In certain areas of the City of South Lake Tahoe, non-resident vehicles do or may substantially and regularly interfere with the use of the majority of the available on-street spaces by adjacent residents; this interference occurs at regular and significant daily or weekly intervals; the volume of non-resident vehicles in these certain areas cause unreasonable traffic hazards, noise, and trash impacts; a shortage of reasonably available and convenient residential related parking spaces exist in these areas; and alternative solutions are not feasible or practical.

B. Authorization. The City Council, upon finding that such zone is required to provide reasonably available and convenient parking for the benefit of adjacent residents, may designate certain streets or any portions thereof as residential permit parking zones, in which zones vehicles displaying a permit that is visible from the outside of the vehicle are exempt from parking prohibitions otherwise posted.

C. Definition of resident. For the purpose of this section, a “resident” means a person who owns or rents a dwelling unit within a residential permit parking zone for their own living

accommodations, including owner-occupants, long-term tenants, and second homeowners.

D. Permits. The City Manager is authorized to develop an application for residential parking permits. Applicants for such permits must present proof of residence adjacent to the area designated as a residential permit parking zone. Permits for multifamily units will be issued to the owner of the property for distribution to tenants. Two guest vehicle permits will be issued per address of applicant(s). Permits are to be effective for one year from the date of issuance.

E. Prohibitions. Residential parking permits are not transferable, and it is unlawful for a person to give, sell, or rent a residential parking permit to another person.

SECTION 2. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 3. The City Council finds that adoption of the proposed Ordinance is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15301(c) (Existing Facilities) because the Ordinance addresses parking regulations on existing roadways.

SECTION 4. The City Clerk is directed to certify this Ordinance and cause it to be published in the manner required by law.

SECTION 5. This Ordinance shall become effective thirty days after the date of its adoption.

Adopted by the City of South Lake Tahoe City Council on September 12, 2023 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date:_____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

First Reading:
Published:
Second Reading:
Effective:

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Residential Parking Permit Program

Council Presentation – August 8, 2023

Residential Parking Permit Program Defined

- To protect these areas and neighborhoods, it is necessary to enact parking regulations restricting parking by nonresidents while allowing residents to park near their homes.
- In these situations, uniform parking regulations restricting residents and nonresidents alike would not serve the public interest.
- In these situations, a system of prereferral resident parking is needed, known as Residential Parking Permit Program (RPPP).

Residential Parking Permit Program Benefits

- Reducing potential hazardous traffic conditions resulting from the long-term parking of vehicles or tourists in such areas and neighborhoods.
- Protecting neighborhoods from polluted air, excessive noise, trash, and refuse caused by motor vehicles.
- Protecting the residents of such areas and neighborhoods from unreasonable burdens in obtaining parking near their residences and gaining access to their residences.
- Preserving the character of such areas and neighborhoods as residential, promoting the efficiency of the maintenance of the streets in a clean and safe condition.
- Preserving the value of properties in such areas and neighborhoods.
- Preserving the safety of children, pedestrians, and bicyclists.
- Promoting traffic safety and the peace, good order, conform, convenience, and general welfare of the inhabitant of the City of South Lake Tahoe.

Residential Parking Permit Program Application

- The proposed RPPP can be designated for certain streets or any portions thereof if the City Council, upon finding that such zone is required to provide reasonably available and convenient parking for the benefit of adjacent residents, as residential permit parking zones, in which zones vehicles displaying a permit that is visible from the outside of the vehicle are exempt from parking prohibitions otherwise posted.
- Residents and neighborhoods can request or petition for an RPPP to the Police Chief or Director of Public Works. City staff will evaluate the request, and if justified based on traffic and parking impacts, the request will be presented to the City Council for formal review and approval.
- Hours and periods of RPPP can be adjusted based on impacts and needs.
- Once an RPPP zone has been approved, the City Manager will develop an application for residential parking permits. Applicants for such permits must present proof of residence adjacent to the area designated as a residential permit parking zone. Permits for multifamily units will be issued to the property owner for distribution to tenants. Two guest vehicle permits will be issued per the address of the applicant(s). Permits are to be effective for one year from the date of issuance.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 19

Agenda Item: Building Energy Efficiency Reach Code

Executive Summary: Adoption of a reach code is a component of the City's adopted Climate Action Plan to reduce energy use, and associate greenhouse gases from buildings. The City has initiated a public process to develop a reach code that would require newly constructed buildings to meet higher energy efficiency standards. Options are being presented to City Council to consider policy direction and a framework for a draft reach code.

Requested Action / Suggested Motions: Pass a Motion providing direction to staff on components of the reach code, including applicable building types, desired reach code option, and exemptions, a complimentary educational program and associated budget to increase local knowledge of building energy efficiency and electrification measures, and to conduct additional economic impact analysis to determine impacts on local construction industry, real estate market and housing costs.

Responsible Staff Member: Hilary Roverud, Director of Development Services, Sara Letton, Sustainability Coordinator

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01_CCStaffReport_ReachCode_20230718.docx
02-CEC_2022_EnergyCodeUpdateSummary.pdf
03-CostEffectivenessStudies.pdf
04-PollingResults_20230723.pdf
05-PowerPoint

City of South Lake Tahoe
Report to **City Council**

Meeting Date: August 8, 2023

Title: Building Energy Efficiency Reach Code

Location: Citywide

Responsible Staff Member: Hilary Roverud, Director of Development Services
Sara Letton, Sustainability Coordinator

Background:

Climate Change

The City and region are experiencing the effects of climate change including warming trends, declining snowpacks, variations in precipitation extremes, heightened tree mortality, unprecedented droughts, more frequent and intense wildfires, and changes in streamflow timing (OPR et al. 2018). Governor Newsom's Executive Order B55-18, issued in 2018, set a statewide target to achieve carbon neutrality no later than 2045.

Carbon Pollution Reduction Targets and CAP Adoption

The City adopted a Climate Action Plan (CAP) in 2020, setting carbon pollution goals for 2030 and 2040. 2030 has been identified as a key milestone year to achieve significant carbon pollution reductions to avoid the worst impacts of climate change. On June 21, 2022, the City officially adopted a science-based carbon pollution target, refining the originally estimated target established in Resolution 2017-026. This target establishes a reduction target of 59.2% from the 2018 baseline levels and aligns with the City's commitment to carbon pollution reduction and renewable energy goals. The CAP outlines a framework consisting of five overarching strategies, each encompassing specific actions. These strategies are categorized as follows: transportation, land use, water and solid waste, carbon sequestration and watershed health, and building energy. Under each strategy, a set of actions is identified to guide the City's efforts in addressing climate change and promoting sustainability.

Building Energy and Greenhouse Gases

The City's 2015 Baseline Greenhouse Gas (GHG) Emissions inventory identified building energy as responsible for 59% of the City's total emissions (see Figure ES-2. 2015 Baseline Community-wide Emissions in the Climate Action Plan, 2020). For greater context, transportation was responsible for 32%, solid waste 7%, and water/wastewater 2%.

The CAP includes eight actions under the Building Energy strategy, several of which are relevant to the development of a reach code.

- EB-1: Implement robust energy audit and retrofit programs.
    - The measure also sets the ambitious goals of achieving a 50 percent reduction in energy use in existing buildings by 2040 and 75 percent by 2045.
- EB-2: Electrify Buildings
    - This measure also states, “By 2022, develop a policy roadmap to achieve decarbonization of the applicable existing building stock by 2030, without additional cost burden or displacement risk to vulnerable community members.”
- ZNE-1: Adopt a Green Building Standard, including:
    - “Explore potential “Reach” codes that include energy efficiency measures beyond state requirements for new construction. Include exemptions for affordable housing projects and additions, major alterations, and repairs for low-income residents. Consult with local stakeholders for ideas and insight regarding potential code updates. Develop the code to require or incentivize the following measures in new construction (new buildings, additions, major alterations, and repairs to existing buildings):
        - All electric appliances
        - Energy efficiency and renewable energy requirements beyond Title 24 standards
        - Efficient indoor and outdoor lighting standards
        - Installation of 240-volt outlets in garages for EV charging
        - Installation of Energy Star appliances wherever appliances are furnished as a standard part of the construction.”
    - From the CAP regarding ZNE-1:
        - “This measure assumes that the City will work with community stakeholders to develop and adopt a “Reach” code, which requires new development projects in the City to achieve energy efficiency savings (electricity and natural gas use) above what is required by the State’s 2019 Title 24 energy efficiency standards [since updated in 2022 code. See description below]. This measure is calculated by assuming that all new development in the City, once the “Reach” code is adopted, would use approximately 50 percent less energy than units built under the State’s current Title 24 energy efficiency standards… This measure assumes that by 2040 the City will have updated its building code to only allow zero net energy projects to be developed. These projects would not generate any additional energy demand beyond existing levels and therefore not generate additional GHG emissions.”

The City has engaged ID360 to provide technical support and assist in the reach code development process. ID360 is a sustainability consulting company with expertise in green building, rating systems, and energy codes.

<u>Key Terms</u>

All-Electric - Buildings using a permanent supply of electricity for space heating, water heating, cooking, and clothes drying, with no natural gas or propane plumbing installed in the building.

Mixed-Fuel – Buildings using natural gas or propane as fuel for space heating, water heating, cooking appliances, and/or clothes drying appliances or is plumb.

Electric-Ready - Gas appliances in mixed-fuel buildings have designated conduits and raceways and reserved capacity on the main electrical panel and subpanels to support electric appliances in the future.

Prescriptive Codes - Require one or more specific energy efficiency measures.

Performance Codes - Require a building to perform more efficiently based on California Energy Commission (CEC) approved energy modeling software and allow trade-offs between energy efficiency measures.

Incremental costs - Represent the equipment, installation, replacement, and maintenance costs of the proposed measures relative to the 2022 Title 24 Standards minimum requirements or standard industry practices.

<u>2022 CA Building Code</u>

The California Building Energy Efficiency Standards Title 24, Part 6 (Energy Code) is maintained and updated every three years by two state agencies: the California Energy Commission (CEC) and the Building Standards Commission (BSC). The 2022 California Building Energy Efficiency Standards became effective January 1, 2023. This most recent update focuses on four key areas in the new construction of homes and businesses:

- Encouraging electric heat pump technology and use.
- Establishing electric-ready requirements when natural gas is installed.
- Expanding solar photovoltaic (PV) system and battery storage standards.
- Strengthening ventilation standards to improve indoor air quality.

The update introduced new requirements for new building construction, including the establishment of an energy budget based on efficient heat pumps for space or water heating to encourage builders to install heat pumps over gas-fueled HVAC units. The code includes electric-readiness requirements with dedicated 240-volt outlets and space (with plumbing for heat pump water heaters) to facilitate the future installation of electric appliances. The 2022 Energy Code also includes increased minimum kitchen ventilation requirements to better exhaust pollution from gas cooking, efficiency improvements, energy storage (battery) readiness, and battery installation requirements. Although buildings that use gas may be constructed, they must meet specified performance standards by installing other efficiency measures to offset the energy and emissions impacts of gas usage. In addition to new buildings, the standards apply to substantial upgrades to existing homes and businesses (See Attachment 02). In comparison to the 2019 Energy Code, the 2022 Energy Code is estimated to save 285,214 tons of CO2e annually throughout California (2022 Update to the California Energy Code Impact Analysis, June 2023).

Energy Code compliance can be achieved through a prescriptive or a performance method. CEC-approved software is used to demonstrate performance compliance with residential and nonresidential provisions of the Energy Code. Performance modeling allows a user to assess

building system performance against the Energy Code baseline. After construction, a certified acceptance test technician performs an inspection and testing required by the Energy Code.

It is important to note that the Energy Code includes exemptions to the baseline requirements such as the solar exposure exemption from PV installation requirements. This exemption may be granted based on limited solar exposure due to barriers such as trees, hills, or adjacent structures. An exemption to PV installation is also applicable where project design snow loads are greater than the highest-rated PV panels currently available.

Issue and Discussion:

Local governments can adopt building energy requirements that are more stringent than the California Building Code, through what are known as reach codes. A reach code is a local building code that reaches beyond the minimum requirements of the state energy requirements. Adopting more stringent energy requirements for building design and construction can allow a local government to reduce emissions, lower utility bills, provide safer buildings, and improve public health. More than 70 local California governments adopted ordinances that prohibit gas appliances in newly constructed buildings or limit gas end uses, resulting in significant GHG emission reductions.

Several GHG-reducing measures that can be incorporated into new buildings, beyond minimum code requirements, include increased insulation, heat pump HVAC systems, heat pump hot water systems, electric appliances, induction cooktops, additional rooftop solar, battery storage, LED lighting, and EV charging capabilities. Each of these techniques has trade-offs in incremental costs, benefits, and conveniences. All-electric buildings have the potential for the greatest GHG emission reductions and have significant incremental cost savings due to the absence of gas infrastructure. However, the reliability of electric power during inclement weather and future costs of electric power is often cited as a concern. Backup power provided by a natural gas generator (whole house generator) can alleviate concerns with electric power reliability. However, the incremental cost savings from excluding a gas connection for an all-electric building would not be realized with installation of a natural gas generator.

For mixed-fuel buildings, gas usage is highest for space heating and water heating. Installation of electric heat pumps for space and water heating generally triples the energy efficiency of these systems, however, the efficiency of a heat pump can be affected by colder outdoor temperatures. Weather protection of the exterior units, the use of allowable land coverage, and increased incremental costs are also considerations when installing heat pump systems. It is expected that the expanded adoption of new energy-efficient technologies required by the 2022 Energy Code will help reduce the costs of the technology over time.

Both California law and Federal law include requirements that affect locally adopted reach codes. Federal law sets the standards for building appliances and, like other local laws, reach codes cannot conflict with federal requirements (federal pre-emption). Local governments also cannot adopt a local reach code that is less stringent than the state Energy Code. The CEC ensures that local energy standards enforce building designs that limit energy consumption to the extent allowed by the state Energy Code. To adopt a reach code, a local government agency also needs to make findings on the cost-effectiveness of the proposed local energy standards. Most energy efficiency measures cost money to implement and save money by reducing energy

costs once the measure is in place. To be cost-effective, the money saved from the reduced energy costs needs to be enough to cover the initial cost within a reasonable period.

As part of many efforts to implement the CAP, City staff have explored potential reach code options that include energy efficiency measures beyond state requirements for new construction. Options are being presented that would apply mandatory energy efficiency measures to residential and non-residential new construction projects and provide education and incentives for energy efficiency measures applied to existing structures.

Cost Effectiveness Studies

The Statewide Reach Codes Program (Statewide Team) has prepared an analysis of the cost-effectiveness of several reach code options for new single-family, multifamily, and non-residential (commercial) buildings. These studies document the cost-effectiveness of combinations of measures that exceed the minimum state code requirements. The analysis refers to "packages" that include combinations of efficiency measures, on-site renewable energy, and battery energy storage for both all-electric and mixed-fuel buildings. These packages are analyzed for their cost-effectiveness using two different metrics.

- On-Bill: The "on-bill" metric is the customer-based lifecycle (30 years) cost that values energy based on estimated use and utility rates.
- TDV: The "time dependent valuation" (TDV) metric captures the total cost of energy use over 30 years and accounts for long-term societal costs such as infrastructure impacts, costs of associated carbon emissions, and varying energy values based on the fuel source and peak demand periods.

Local jurisdictions can use either metric to support findings of cost-effectiveness when adopting a local reach code.

The Statewide Team is continuously updating the cost-effectiveness studies. Updates consider new baseline conditions as the Energy Code is updated, and new technologies and construction methodologies as they become available. The Statewide Team is also preparing custom cost-effectiveness studies for the City of South Lake Tahoe that account for the City's climate zone (CZ 16) and local utility tariffs. At the time of this report, staff has received the custom South Lake Tahoe cost-effectiveness studies for single-family, accessory dwelling unit (ADU), and non-residential (commercial) building types (See Attachment 03). The custom multi-family residential study is expected to be published soon.

The cost-effectiveness studies compare the on-bill and TDV costs of various design packages to a baseline/prototype design. For residential building types, the custom cost-effectiveness studies analysed both permanent resident and non-permanent resident scenarios because their utility use and rates are different.

Residential building packages that included battery storage were not found to be on-bill cost-effective due to the current high cost of battery storage. All other packages were found to be cost-effective using both the on-bill and TDV methods.

Non-residential building types that included battery storage were also not found to be on-bill or TDV cost-effective due to the current high cost of battery storage. None of the all-electric

packages applied to medium office or quick-service restaurant building types were found to be cost-effective. For the small hotel building type, the only all-electric package found to be cost-effective includes a packaged terminal heat pump which is a more efficient alternative to packaged terminal air conditioners used in guest rooms that can also provide heating.

Legal Considerations for Gas Bans and All-Electric Requirements

To mandate all-electric new construction, there are two alternative local reach code options adopted by several other California jurisdictions for the 2022 code cycle. One option is an ordinance banning gas piping to serve new buildings via a Health and Safety Code amendment and the second option is an all-electric building code amendment via CALGreen. Both of these options do not amend the energy code.

In 2019 the California Restaurant Association sued the City of Berkeley in federal court arguing that their natural gas ban (Health and Safety Code ordinance) was pre-empted by the federal Energy Policy and Conservation Act (EPCA) and by California law. The lawsuit was dismissed in federal district court; however, the Ninth Circuit court reversed the district court ruling in 2023 concluding that the EPCA pre-empts local governments from regulating the quantity of natural gas use by an appliance and that pre-emption extends to regulations that address the products themselves and the on-site infrastructure for their use of natural gas. In response to the ruling, several jurisdictions have decided to suspend their gas ban ordinances while Berkeley has filed a petition for rehearing. Due to ongoing litigation and uncertainty in this approach, a local prohibition on gas infrastructure serving a building is not included for Council consideration.

The Ninth Circuit ruling in the City of Berkeley case has also raised concern with ordinances that require all-electric appliances, heating, and water systems through a local amendment to the building code. Due to the legal uncertainty of the all-electric building code amendment, staff recommends that the City Council consider options that provide more flexibility in achieving energy efficiency and greenhouse gas emission reductions. The City's journey to achieving goals set in the CAP will include many continuous steps and all-electric mandates should be considered in future amendments as litigation is resolved and the community and industry stakeholders become more knowledgeable of all-electric benefits and options.

Stakeholder and Community Input

The city is facilitating a standard and transparent public engagement process supported by our contracted consultants. The process consists of the following activities:

1. Industry stakeholder meeting #1
2. Community meeting #1
3. Council study session (this is the current Council agenda item)
4. Industry stakeholder meeting #2
5. Community meeting #2
6. Development of a reach code with staff and consultants, considering input from industry stakeholders, community members, and City Council.
7. Proposed reach code to Council in the fall.
8. Depending on the reach code that is adopted, it may need to be approved by the California Energy Commission.

The first stakeholder meeting, held on May 4th involved nine participants and the first community meeting, held on June 1 involved five participants. Polling questions were deployed at the stakeholder and community meetings. Those questions, results, and comments are provided in Attachment 04 to this staff report.

Highlighted feedback from the industry stakeholder meeting includes:

- Prioritize topics where the community could benefit from additional education including heat pump technology and general building electrification.
- Prioritize insulation/weatherization and HVAC as building systems to focus on reducing GHG and increasing energy efficiency.
- Economic impacts, cost-effectiveness, power outages, and options for backup power and backup heat are concerns that should be considered if the reach code requires all-electric new construction.
- The 'efficiency' option received the highest overall rank in priority for both residential and commercial new construction reach code options.
- Feedback was mixed when asked about a phased approach that would prioritize specified building types.

Highlighted feedback from the community meeting includes:

- Prioritize topics where the community could benefit from additional education including heat pump technology and general building electrification (same as the stakeholders' response).
- Prioritize insulation/weatherization and HVAC as building systems to focus on reducing GHG and increasing energy efficiency (same as the stakeholders' response).
  Economic impacts, cost-effectiveness, power outages, and options for backup power and backup heat are concerns that should be considered if the reach code requires all-electric new construction (same as the stakeholders' response).
- The 'electric only' option received the highest overall rank in priority for residential reach code options with 'electric only + efficiency' and 'efficiency' as second priority.
- Feedback on priority options for commercial construction was mixed.
- Feedback on a phased approach that would prioritize specified building types prioritized commercial and single-family residential/ADUs, ranking multi-family as the lowest priority.

<u>Reach Code Options</u>

The cost-effectiveness studies, legal considerations, and public feedback support the opportunity for the City Council to consider reach code options that apply to single-family residential, accessory dwelling units, multi-family residential, and commercial buildings constructed for retail, office, restaurant, or hotel occupancy. The City Council may want to consider an exemption for affordable housing; however, a policy should consider that deed-restricted low- and moderate-income affordable housing is often constructed with subsidies and state building efficiency incentive programs focus on providing the greatest incentive to low-income residents. Applying higher efficiency standards to newly constructed affordable housing would also likely reduce ongoing utility costs for residents.

Efficiency

The ‘efficiency’ option would require all buildings, regardless of fuel type (electric and mixed-fuel), to exceed Energy Code efficiency standards. This option would require a local amendment to the Energy Code and would primarily be enforced through the building energy analysis and field testing required for new construction. Owners would be able to select the combination of energy efficiency measures that are implemented with their project to achieve the required efficiency standard.

Electric Preferred

This type of reach code would provide the option for a newly constructed building to 1) be all-electric and only meet minimum Energy Code efficiency standards or 2) be a mixed-fuel building that exceeds Energy Code efficiency standards. This option would also require a local amendment to the state energy code and would be enforced through the existing plan review, building energy analysis, and inspection processes.

The City Council may want to consider specific exemptions that apply to projects that pursue the all-electric option such as gas-powered backup generators, commercial kitchen stoves, gas and wood fireplaces, swimming pool heat, etc.

Greenhouse Gas Reduction Benefits

Construction trends in the City are difficult to develop given the limited amount of construction that occurs in general. However, utilizing permit issuance data for residential new construction, since 2018 there have been an average of 32 single-family units, 23 multi-family units, and 8 condominium units permitted. Over that timeframe there has been an average of 7,709 sf of new retail space, 1,332 sf of new restaurant space, 1,752 sf of new office and 20,393 sf of new hotel space permitted each year. Utilizing the estimated metric tons of carbon dioxide equivalent (MTCO2e) per unit generated in the cost-effectiveness studies the expected GHG savings with each of these options include:

Type of Dwelling, by prototype or average square feet permitted	**Reach Code Option**	**Metric Tons of Carbon Dioxide Equivalent Reduced per year**
32 Single Family homes	Efficiency	22 MTCO2e
	Electric Preferred	22 MTCO2e
7,709 sq ft of retail	Efficiency	0.2 MTCO2e
1,332 sq ft of restaurant	Electric + efficiency, with gas cooking exception	11 MTCO2e
1,752 sq ft of office	Electric Preferred	0.01 MTCO2e
20,393 sq ft of hotel	Electric Preferred	9 MTCO2e

Education/Incentive

The proposed reach code options staff is highlighting for Council’s consideration include additional mandatory requirements beyond building code minimums. Due to this and stakeholder feedback, it is recommended that the City also establish a program to provide education on

building energy efficiency and electrification measures. Opportunities to increase community-wide knowledge may spur voluntary measures to improve existing and new building efficiency and will position design professionals, contractors, and homeowners to advance building efficiency as code requirements and technologies improve. There are opportunities to partner with other organizations such as the Sierra Business Council, Air Quality Management Districts, and the Community Economic Resilience Fund, to provide educational opportunities and technical assistance directly to local professionals and homeowners.

Due to Statewide goals aimed at decreasing GHG emissions and an increase in local California jurisdictions committing to the prioritization of building decarbonization and electrification, there are numerous rebate and incentive programs available to homeowners and building owners. Locally, Liberty Utilities offers an Energy Savings Assistance Program and their Energy Audit program. On a federal level, the Inflation Reduction Act (IRA), signed into law in August 2022, includes $200 million in electrification and energy efficiency. The IRA will directly provide contractor incentives for qualifying electrification and efficiency projects and point-of-sale consumer discounts to enable low- or moderate-income households to electrify their homes. The rebates are anticipated to begin rolling out in late 2023.

Economic Impacts

Although the cost-effectiveness studies provide an analysis of incremental versus long-term costs associated with various reach code options, stakeholders have raised questions about how these options could affect the overall construction and housing industries. If Council is concerned about making any final decisions before fully understanding the potential economic impact on the local construction industry, real estate industry, and housing costs, an option is to develop a custom cost-benefit and economic impact analysis representative of the City's current construction costs and real estate market.

Next Steps

After receiving additional public input and discussion among the City Council, staff is requesting that the Council confirm or provide direction on the following components of the reach code development:

Applicable Building Types:

- Single-family Residential (including condominiums)
- Accessory Dwelling Unit
- Multi-family Residential
- Commercial (retail, office, restaurant, or hotel occupancies)

Reach Code Option:

- Electric Preferred (all-electric or mixed fuel with higher efficiency standard)
- Efficiency

Exemptions to all-electric (If electric preferred option is pursued):

- Gas-powered backup generators

- Commercial kitchen stoves
- Gas/wood fireplaces
- Swimming pool/spas
- Specialized equipment for industrial processes, laboratories, medical uses
- Plumbed in outdoor equipment (BBQs)

Educational Program:

- Direct staff to develop a complimentary educational program and associated budget to increase local knowledge of building energy efficiency and electrification measures.

Custom cost-benefit and economic impact analysis

- Direct staff to conduct additional economic impact analysis to determine impacts on local construction industry, real estate market and housing costs.

Financial Implications:

There are no financial implications associated with City Council receiving this presentation and providing feedback.

Environmental Considerations:

The action of receiving a presentation is exempt from environmental review pursuant to CEQA Guidelines §15061(b)(3). The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential to cause a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Policy Implications:

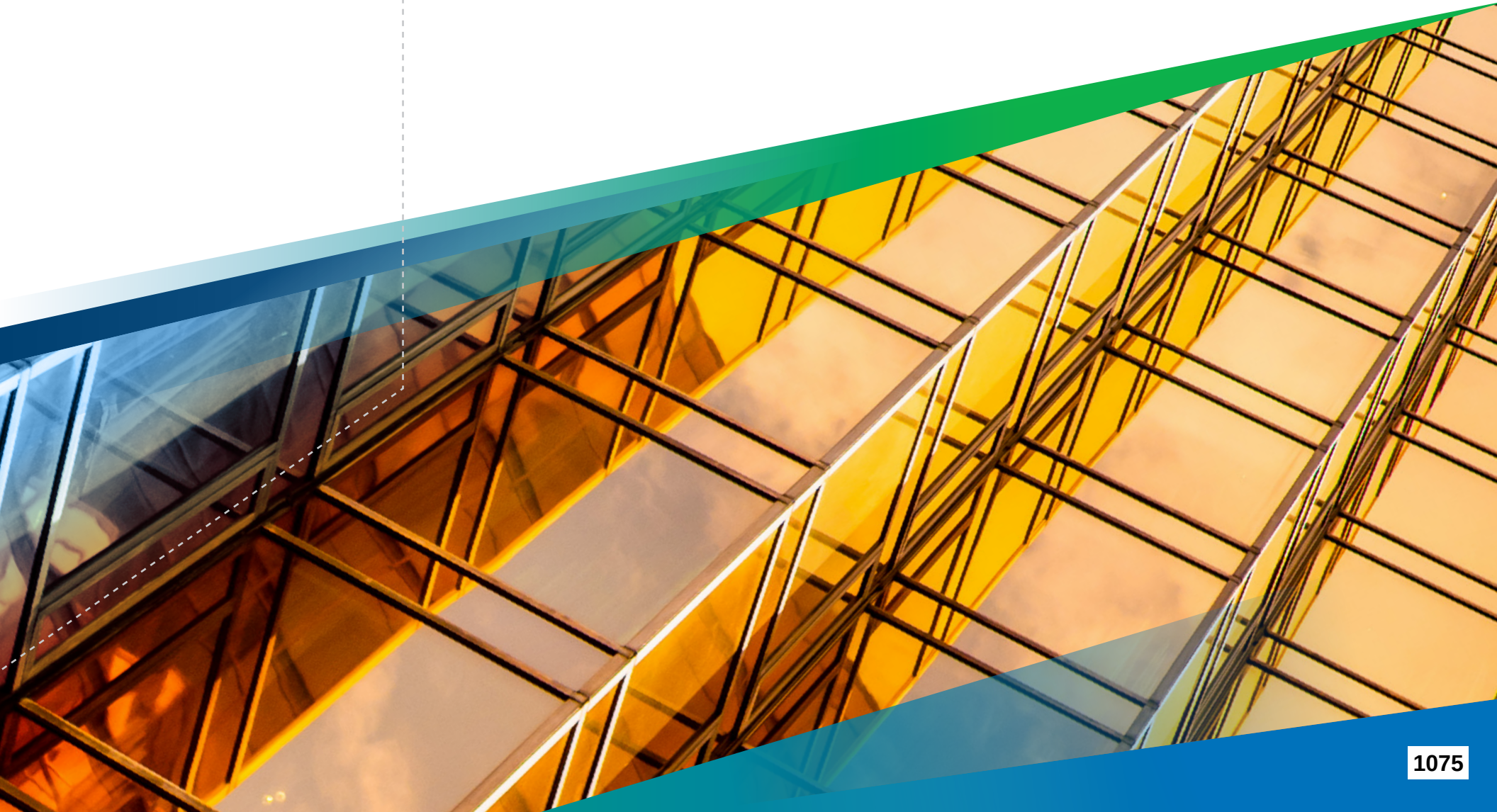
- 2020 Climate Action Plan, as mentioned in 'Background'
- City Council Strategic Plan Action Item 1.5.1 – Implementation of the Climate Action Plan

References:

OPR et. al. *See* Governor's Office of Planning and Research, California Energy Commission, and California Natural Resources Agency.

California Energy Commission, 2022 Update to the California Energy Code Impact Analysis, June 2023

2022
BUILDING ENERGY EFFICIENCY STANDARDS SUMMARY



1075

Executive Summary

The California Energy Commission (CEC) is the state's primary energy policy and planning agency with a mission to lead the state to a 100 percent clean energy future. The CEC develops policy to reduce energy usage and costs, limit the environmental impacts of energy generation and use, and ensure a safe, resilient, and reliable supply of energy.

What Does the CEC Have to Do With the Building Code?

Homes and businesses use nearly 70 percent of California's electricity and are responsible for a quarter of California's greenhouse gas (GHG) emissions. As California's energy policy agency, the CEC was mandated by the Warren-Alquist Act to periodically update and adopt building standards to increase energy efficiency of buildings and reduce GHGs. Part 6 of Title 24 implemented this mandate so that every three years the CEC presents Building Energy Efficiency Standards (Energy Code) updates for new construction and renovations to existing buildings.

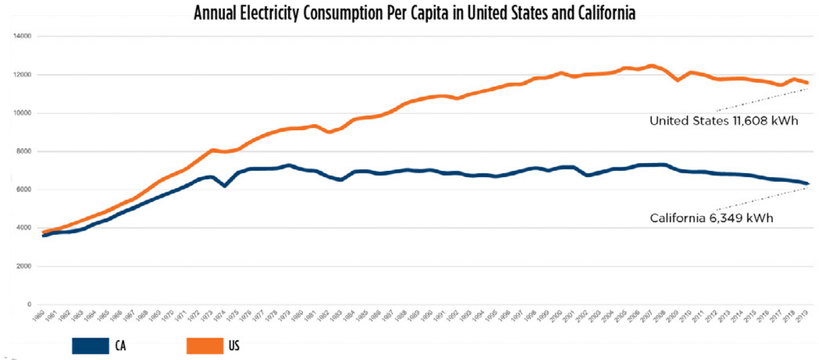
After the CEC adopts these standards, they are submitted to the California Building Standards Commission for approval and inclusion with other changes to the building code. The Energy Code is designed to be cost-effective so that implementation is affordable while helping California manage energy demand and advance the state's climate and clean air goals.

HOMES AND BUSINESSES USE NEARLY 70 PERCENT OF CALIFORNIA'S ELECTRICITY AND ARE RESPONSIBLE FOR A QUARTER OF CALIFORNIA'S GREENHOUSE GAS (GHG) EMISSIONS.

How Do Standards Affect Me?

The standards help everyone! As standards require upgrades such as better insulation and more effective climate control in buildings, the increases in energy efficiency reduce utility bills. This also improves comfort inside buildings. The standards increase the market value of properties by making them more affordable to operate. They reduce GHGs by using less energy from fossil fuel-burning power plants that emit harmful smog-forming pollutants and climate-changing gases. Some of the water-saving measures in the standards lead to more efficient appliances and building fixtures that buoy California's water supply and save energy by using and moving less water.

Thanks in part to California's efficiency standards, the state's per capita energy use has stayed nearly flat since the early 1970s, even as the state's economy grew by 80 percent.



CALIFORNIANS USE 31 PERCENT LESS ENERGY COMPARED TO THE AVERAGE AMERICAN

WHAT'S NEW FOR 2022?

The proposed 2022 Energy Code update focuses on four key areas in new construction of homes and businesses:

- Encouraging electric heat pump technology and use
- Establishing electric-ready requirements when natural gas is installed
- Expanding solar photovoltaic (PV) system and battery storage standards
- Strengthening ventilation standards to improve indoor air quality

2022 Energy Code: Better for the Environment and You

Heat pumps use less energy and produce fewer emissions than traditional HVACs and water heaters.

Electric-ready building sets up owners to use cleaner electric heating, cooking, and electric vehicle (EV) charging when they're ready to invest in those technologies.

Using battery storage allows onsite energy to be available when needed and reduces the grid's reliance on fossil fuel power plants.

Better ventilation can reduce illness from poor air quality and reduce disease transmission.

The Energy Code in Action

Since 1978, energy standards have supported California's long-term strategy to meet energy demand, conserve resources, and act as an environmental steward. All building standards under consideration must be cost-effective and technically feasible to be adopted.

The Energy Code governs:

- Window and door materials
- Lighting
- Electrical panels
- Insulation
- Faucets
- And more

40 YEARS OF ENERGY EFFICIENCY STANDARDS FOR BUILDINGS AND APPLIANCES HAVE SAVED CALIFORNIANS MORE THAN $100 BILLION

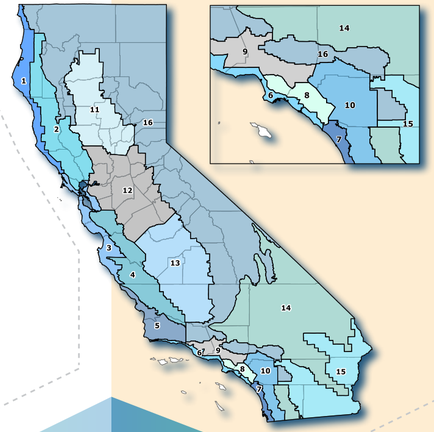
These requirements vary between home and business buildings, as well as among climate zones in which they are implemented. The Energy Code applies to new construction and renovations to existing buildings.

The Energy Code has not only revolutionized building construction in California, but influenced efficiency goals and practices in countries around the globe. Every update helps the state meet its energy and environmental goals while directly benefiting building owners and occupants through more comfortable buildings that save money on energy costs and, not incidentally, increase market value.

With climate change impacts accelerating, there is an even greater need for homes that are comfortable, efficient, and resilient. Each updated code guides the construction of buildings to keep energy use down, better withstand extreme weather, and reduce climate and air pollution.

It's an Area We Call the "Climate Zone"

California is so vast and varied in landscape and weather that there is no one building design that can be the most energy-efficient everywhere. To accommodate those differences, the state is divided into 16 climate zones. Each climate zone represents a geographic area based on such factors as temperature, weather, and typical energy use. Each zone has an assigned energy budget, based on the maximum amount of energy that a building (or portion of a building) can be designed to consume per year. Minimum efficiency requirements are created from that energy budget.



The Energy-Efficient Revolution Continues

The CEC was born of the energy crisis that affected the United States in the early 1970s. To address energy demand that outstripped supply, California created the CEC to design energy policy that reduced use through better efficiencies. The core focus of the building standards has been efficiency, but the 2019 Energy Code ventured into onsite generation by requiring solar PV on new homes, providing significant GHG savings. The 2022 update builds off this progress with expanded solar standards and the move to onsite energy storage that will help Californians save on utility bills while bolstering the grid.

UPDATES FOR 2022

New and more efficient technologies are being developed all the time, with many supported by funding from state programs that bring these energy innovations to markets and consumers. The 2022 Energy Code builds on California's technology innovations, encouraging inclusion of market-ready electric products in new construction, such as heat pumps for climate control and water heating.

The update also requires all new homes be electric-ready. That means buildings with gas stoves have the electrical panels and wiring to support a switch to electric stoves. Further advancements and cost reductions will continue to expand electric options for heating, cooking, laundering, and EV charging to meet all Californians' needs. These are crucial steps in the state's progress toward 100 percent clean electricity and carbon neutrality by midcentury, or earlier.

Proposed Standards

The 2022 Energy Code update revises energy efficiency standards for newly constructed buildings, as well as additions and alterations to existing buildings. The CEC engaged in a lengthy public process leading up to adoption of the proposed 2022 standards.

2022 Energy Code Benefits

- Increases on-site renewable energy generation from solar.
- Increases electric load flexibility to support grid reliability.
- Reduces emissions from newly constructed buildings.
- Reduces air pollution for improved public health.
- Encourages adoption of environmentally beneficial efficient electric technologies.

How Does the 2022 Energy Code Affect Homes?

- Establishes energy budgets based on efficient heat pumps for space or water heating to encourage builders to install heat pumps over gas-fueled HVAC units.
- Requires homes to be electric-ready, with dedicated 240-volt outlets and space (with plumbing for water heaters) so electric appliances can eventually replace installed gas appliances.
- Increases minimum kitchen ventilation requirements so that fans over cooktops have higher airflow or capture efficiency to better exhaust pollution from gas cooking and improve indoor air quality.
- Allows exceptions to existing solar PV standards when roof area is not available (such as for smaller homes).

How Does It Affect Businesses?

- Establishes combined solar PV and battery standards for select businesses. Systems are sized to maximize onsite use of solar energy and avoid electricity demand during times when the grid must use gas-powered plants.
- Establishes new efficiency standards for commercial greenhouses (primarily cannabis growing).
- Improves efficiency standards for building envelope, various internal systems, and grid integration equipment, such as demand-responsive controls to buoy grid stability.

OVER 30 YEARS, THE 2022 ENERGY CODE IS ESTIMATED TO PROVIDE $1.5 BILLION IN CONSUMER BENEFITS AND REDUCE 10 MILLION METRIC TONS OF GHGS, EQUIVALENT TO TAKING NEARLY 2.2 MILLION CARS OFF THE ROAD FOR A YEAR.

Breaking Down the Updates

Heat Pumps: The New Standard

Heat pumps are an electric technology for water and space heating that increases efficiency, reduces GHGs, and enables load flexibility. Current California market share is less than 6 percent in new home construction.

Standards include:

- Single-family homes — heat pump water or space standard.
- Multifamily homes such as apartment buildings — heat pump space heating standard.
- Businesses — heat pumps standard for schools, offices, banks, libraries, retail, grocery.

New Homes to Be Electric-Ready

The standards require single-family homes to be electric-ready, including:

- Electrical circuits for space heating, water heating, cooking/ovens, and clothes dryers.
- Electrical panel, branch circuits, and transfer switch for battery storage.
- Dedicated circuits and panels to easily convert from natural gas to electric in the future.

Solar and Storage Use Expanded

The 2022 Energy Code extends solar and introduces battery storage standards to the following building types:

- High-rise multifamily (apartments and condos)
- Hotel-motel
- Tenant space
- Office, medical office, and clinics
- Retail and grocery stores
- Restaurants
- Schools
- Civic (theaters, auditoriums, and convention centers)

The Challenge of Existing Buildings

In addition to new buildings, the standards apply to substantial upgrades to existing homes and businesses.

At least 50 percent of single-family homes and nearly 60 percent of California's apartment complexes (about 14 million total residences) were built before the state's first energy standards.

Updating older buildings is critical to achieving the state's climate and clean energy goals.

Communities Ahead of the Curve

California is already an international leader in energy efficiency and clean energy. However, after each update, many cities and counties choose to adopt standards that exceed the state minimum. The California Green Building Standards ("CALGreen" or Part 11 of Title 24) include voluntary reach standards, which offer model building code language for local governments that wish to go beyond the minimum statewide requirements.

Reach standards are an important tool for jurisdictions to meet their own climate goals. It allows them to decide on standards that meet their needs and interests, so long as they also meet or exceed state code requirements.

Historically, such local ordinances have served as a bellwether for statewide standards. They provide a place to test market readiness for new technologies and regulations, drive innovation of new technologies and efficiencies, and bring down the cost of efficient building technologies by creating an installed user base that encourages scale manufacturing.

What's Next?

In developing the standards over the past two years, the CEC met with more than 50 industry stakeholder groups, and 43 public workshops were held.

Under the rulemaking, the standards are vetted over a 45- to 60-day period before they go to the CEC for adoption. Then they are submitted to the California Building Standards Commission for approval as one part of the whole building code. Builders, contractors, and other stakeholders have one year until implementation to gear up for the change.

2022 Energy Code Update Timeline

California Energy Commission Adoption	August 2021
California Building Standards Commission Approval Hearing	December 2021
Effective Date	January 1, 2023

For Further Reading

- The Rulemaking Process: bit.ly/3fPO2H8
- 2019 Building Energy Efficiency Standards Frequently Asked Questions: bit.ly/3fJHOs8
- 2019 California Energy Efficiency Action Plan: (overall webpage) bit.ly/3s4fYMc
- California Building Decarbonization Assessment: bit.ly/3iwpuEM

Governor
Gavin Newsom

Chair
David Hochschild

Executive Director
Drew Bohan

Commissioners
Karen Douglas, J.D.
Siva Gunda
J. Andrew McAllister, Ph.D.
Patricia Monahan

August 2021

energy.ca.gov | facebook.com/CAEnergy | twitter.com/CAEnergy | instagram.com/CAEnergy

CALIFORNIA ENERGY CODES & STANDARDS
A STATEWIDE UTILITY PROGRAM

Last modified: 2023/02/03
Revision 1.1

2022 CODE CYCLE:

Single Family and ADU Custom Cost Effectiveness Analysis: South Lake Tahoe

Prepared by:
Frontier Energy, Inc
Misti Bruceri & Associates, LLC

Prepared for:
Kelly Cunningham, Codes and Standards Program, Pacific Gas and Electric

SDGE A Sempra Energy utility
SOUTHERN CALIFORNIA EDISON Energy for What's Ahead
PG&E Pacific Gas and Electric Company

Legal Notice

This report was prepared by Pacific Gas and Electric Company and funded by the California utility customers under the auspices of the California Public Utilities Commission.

Copyright 2023, Pacific Gas and Electric Company. All rights reserved, except that this document may be used, copied, and distributed without modification.

Neither PG&E nor any of its employees makes any warranty, express or implied; or assumes any legal liability or responsibility for the accuracy, completeness or usefulness of any data, information, method, product, policy or process disclosed in this document; or represents that its use will not infringe any privately-owned rights including, but not limited to, patents, trademarks or copyrights.

Acronym List

B/C – Benefit-to-Cost Ratio

CBECC - California Building Energy Code Compliance

CBSC - California Building Standards Commission

CEC - California Energy Commission

CPAU – City of Palo Alto Utilities

CZ – Climate Zone

GHG - Greenhouse Gas

IOU – Investor-Owned Utility

kWh – Kilowatt Hour

LADWP – Los Angeles Department of Water and Power

Liberty – Liberty Utilities

NPV – Net Present Value

PG&E – Pacific Gas & Electric (utility)

POU – Publicly Owned Utility

PV - Solar Photovoltaic

SCE – Southern California Edison (utility)

SCG – Southern California Gas (utility)

SDG&E – San Diego Gas & Electric (utility)

TDV - Time Dependent Valuation

Title 24 – California Code of Regulations Title 24, Part 6

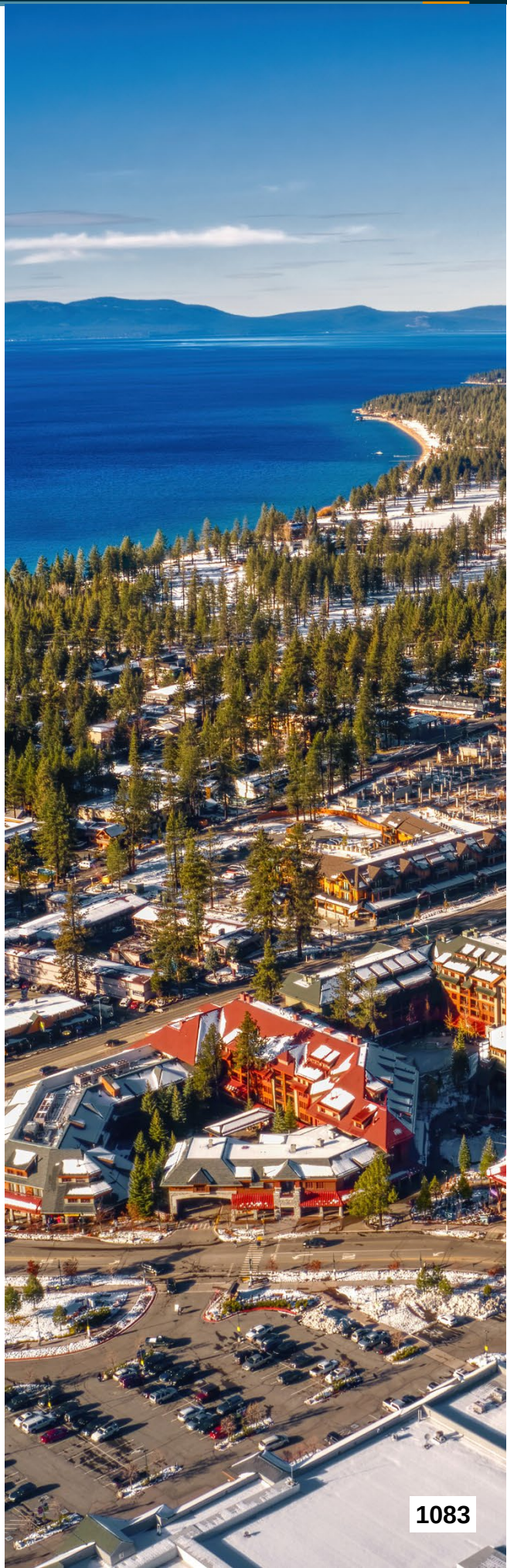


TABLE OF CONTENTS

1 Introduction 1
2 Methodology and Assumptions 2
2.1 Reach Codes 2
2.1.1 Benefits 2
2.1.2 Costs 2
2.1.3 Metrics 2
2.1.4 Utility Rates 3
2.2 Greenhouse Gas Emissions 3
3 Prototype Designs and Measure Packages 4
3.1 Residential Occupancies 4
4 Results 5
4.1 Residential Occupancies 5
5 Summary 8
6 References 9
7 Appendices 10
7.1 Map of California Climate Zones 10
7.2 Utility Rate Schedules 11
7.2.1 Liberty Utilities 11
7.2.2 Southwest Gas 13
7.2.3 Fuel Escalation Rates 14

LIST OF TABLES

Table 1: Utility Tariffs in South Lake Tahoe 3
Table 2: Residential Prototype Characteristics 4
Table 3: South Lake Tahoe Permanent Resident Single Family Cost-Effectiveness Summary 6
Table 4: South Lake Tahoe Permanent Resident ADU Cost-Effectiveness Summary 6
Table 5: South Lake Tahoe Nonpermanent Resident Single Family Cost-Effectiveness Summary 7
Table 6: South Lake Tahoe Nonpermanent Resident ADU Cost-Effectiveness Summary 7
Table 7: Summary of All-Electric Efficiency EDR2 Margins and Cost-Effectiveness 8
Table 8: Summary of Mixed Fuel Efficiency EDR2 Margins and Cost-Effectiveness 8
Table 9: Southwest Gas Monthly Gas Rate ($/therm) 13
Table 10: Real Utility Rate Escalation Rate Assumptions 14

LIST OF FIGURES

Figure 1. Map of California climate zones 10

1 Introduction

The California Codes and Standards (C&S) Reach Codes program provides technical support to local governments considering adopting a local ordinance (reach code) intended to support meeting local and/or statewide energy efficiency and greenhouse gas reduction goals. The program facilitates adoption and implementation of the code when requested by local jurisdictions by providing resources such as cost-effectiveness studies, model language, sample findings, and other supporting documentation.

The California Building Energy Efficiency Standards Title 24, Part 6 (Title 24) (CEC, 2022) is maintained and updated every three years by two state agencies: the California Energy Commission (the Energy Commission) and the Building Standards Commission (BSC). In addition to enforcing the code, local jurisdictions have the authority to adopt local energy efficiency ordinances—or reach codes—that exceed the minimum standards defined by Title 24 (as established by Public Resources Code Section 25402.1(h)2 and Section 10-106 of the Building Energy Efficiency Standards). Local jurisdictions must demonstrate that the requirements of the proposed ordinance are cost-effective and do not result in buildings consuming more energy than is permitted by Title 24. In addition, the jurisdiction must obtain approval from the Energy Commission and file the ordinance with the BSC for the ordinance to be legally enforceable.

This report is an addendum to the *2022 Single Family New Construction Cost-effectiveness Study* modified to accurately represent the City of South Lake Tahoe, California. The study analyzes cost-effectiveness of measures and measure packages that exceed the minimum state requirements, the 2022 Building Energy Efficiency Standards, effective January 1, 2023, in newly constructed buildings. This report was developed in coordination with the California Statewide Investor Owned Utilities (IOUs) Codes and Standards Program, key consultants, and engaged cities - collectively known as the Reach Codes Team.

The prototype building designs analyzed in this study are newly constructed:

- Single Family Home
- Detached Accessory Dwelling Unit (ADU)

The methodology, prototype characteristics, and measure packages are retained from the main studies referenced above except for the energy costs are calculated using local South Lake Tahoe utility rates. Measure packages include combinations of energy efficiency, electrification, solar photovoltaics (PV), and battery storage with results evaluated for California Climate Zone 16.

This report presents measures or measure packages that local jurisdictions may consider adopting to achieve energy savings and emissions reductions beyond what will be accomplished by enforcing minimum state requirements, the 2022 Building Energy Efficiency Standards (Title 24, Part 6), effective January 1, 2023.

Local jurisdictions may also adopt ordinances that amend different Parts of the California Building Standards Code or may elect to amend other state or municipal codes. The decision regarding which code to amend will determine the specific requirements that must be followed for an ordinance to be legally enforceable. Although a cost-effectiveness study is only required to amend Part 6 of the CA Building Code, it is important to understand the economic impacts of any policy decision. This study documents the estimated costs, benefits, energy impacts and greenhouse gas emission reductions that may result from implementing an ordinance based on the results to help residents, local leadership, and other stakeholders make informed policy decisions.

Model ordinance language and other resources are posted on the C&S Reach Codes Program website at LocalEnergyCodes.com. Local jurisdictions that are considering adopting an ordinance may contact the program for further technical support at info@localenergycodes.com.

2 Methodology and Assumptions

The Reach Codes Team analyzed two residential prototype designs to represent a variety of common building types using the cost-effectiveness methodology detailed in this section below. The general methodology is consistent with analyses of other prototypes, whereas some specifics such as utility rate selection are customized for the City of South Lake Tahoe rates.

2.1 Reach Codes

This section describes the approach to calculating cost-effectiveness including benefits, costs, metrics, and utility rate selection.

2.1.1 Benefits

This analysis used both on-bill and time dependent valuation (TDV) of energy-based approaches to evaluate cost-effectiveness. Both on-bill and TDV require estimating and quantifying the energy savings and costs associated with energy measures. The primary difference between on-bill and TDV is how energy is valued:

- On-Bill: Customer-based lifecycle cost approach that values energy based upon estimated site energy usage and customer on-bill savings using electricity and natural gas utility rate schedules over a 30-year duration for residential and 15 years for nonresidential designs, accounting for a three percent discount rate and energy cost inflation per Appendix 7.2.3.
- TDV: TDV was developed by the Energy Commission to reflect the time dependent value of energy including long-term projected costs of energy such as the cost of providing energy during peak periods of demand and other societal costs including projected costs for carbon emissions and grid transmission impacts. This metric values energy use differently depending on the fuel source (gas, electricity, and propane), time of day, and season. Electricity used (or saved) during peak periods has a much higher value than electricity used (or saved) during off-peak periods.

The Reach Codes Team performed energy simulations using the most recent software available for 2022 Title 24 code compliance analysis, CBECC-Res v1.0.

2.1.2 Costs

The Reach Codes Team assessed the incremental costs and savings of the energy packages over the lifecycle of 30 years for the single family and ADU buildings. Incremental costs represent the equipment, installation, replacements, and maintenance costs of the proposed measure relative to the 2019 Title 24 Standards minimum requirements or standard industry practices. The Reach Codes Team obtained measure costs from manufacturer distributors, contractors, literature review, and online sources such as Home Depot and RS Means. Taxes and contractor markups were added as appropriate. Maintenance and replacement costs are included.

2.1.3 Metrics

Cost-effectiveness is presented using net present value (NPV) and benefit-to-cost (B/C) ratio metrics.

- NPV: The Reach Codes Team uses net savings (NPV benefits minus NPV costs) as the cost-effectiveness metric. If the net savings of a measure or package is positive, it is considered cost effective. Negative net savings represent net costs to the consumer. A measure that has negative energy cost benefits (energy cost increase) can still be cost effective if the costs to implement the measure are even more negative (i.e., construction and maintenance cost savings).
- B/C Ratio: Ratio of the present value of all benefits to the present value of all costs over 30 years (NPV benefits divided by NPV costs). The criteria for cost-effectiveness is a B/C greater than 1.0. A value of one

indicates the savings over the life of the measure are equivalent to the incremental cost of that measure. A value greater than one represents a positive return on investment.

Improving the energy performance of a building often requires an initial investment. In most cases the benefit is represented by annual on-bill utility or TDV savings, and the cost by incremental first cost and replacement costs. However, some packages result in initial construction cost savings (negative incremental cost), and either energy cost savings (positive benefits), or increased energy costs (negative benefits). In cases where both construction costs and energy-related savings are negative, the construction cost savings are treated as the benefit while the increased energy costs are the cost. In cases where a measure or package is cost-effective immediately (i.e., upfront construction cost savings and lifetime energy cost savings), B/C ratio cost-effectiveness is represented by “>1”. Because of these situations, NPV savings are also reported, which, in these cases, are positive values.

2.1.4 Utility Rates

In coordination with the City of South Lake Tahoe, the Reach Codes Team determined appropriate tariffs for each package, summarized in Table 1, based on the annual load profile of the prototype and the corresponding package, and the most prevalent rate for each building type in addition to the impacts for permanent versus nonpermanent residents.

For a more detailed breakdown of the rates selected refer to Appendix 7.2 Utility Rate Schedules.

Table 1: Utility Tariffs in South Lake Tahoe

Electric / Gas Utility		Electricity	Natural Gas
Residential (Single Family and Detached ADU)			
Liberty / Southwest Gas	Permanent Resident	D-1	GN 10
	Nonpermanent Resident	D-1 (without baseline quantities	GN 15

Utility rates are assumed to escalate over time, using assumptions detailed in Appendix 7.2. Please see the main *2022 Single Family New Construction Reach Code Cost Effectiveness Studies* for further details on methodology.

2.2 Greenhouse Gas Emissions

The analysis uses the greenhouse gas (GHG) emissions estimates built-in to CBECC-Res. There are 8,760 hourly multipliers accounting for time dependent energy use and carbon emissions based on source emissions, including renewable portfolio standard projections. Natural gas fugitive emissions, which are shown to be substantial, are not included. There are two strings of multipliers—one for Northern California climate zones, and another for Southern California climate zones.[1].

[1] CBECC-Res multipliers are the same for CZs 1-5 and 11-13 (presumed to be Northern California), while there is another set of multipliers for CZs 6-10 and 14-16 (assumed to be Southern California).

3 Prototype Designs and Measure Packages

3.1 Residential Occupancies

Table 2 describes the basic characteristics of each residential prototype design. The prototypes have equal geometry on all walls, windows and roof to be orientation neutral.

Table 2: Residential Prototype Characteristics

Characteristic	Single Family One-Story	Single Family Two-Story	ADU
Conditioned Floor Area	2,100 ft^2	2,700 ft^2	625 ft^2
Num. of Stories	1	2	1
Num. of Bedrooms	3	3	1
Window-to-Floor Area Ratio	20%	20%	20%

The Reach Codes Team evaluated three packages for mixed fuel homes and five packages for all-electric homes for each prototype and climate zone, as described below.

1. All-Electric Code Minimum: This package meets all the prescriptive requirements of the 2022 Title 24 Code.
2. Efficiency Only: This package uses only efficiency measures that don't trigger federal preemption issues including envelope and water heating or duct distribution efficiency measures.
3. Efficiency + NEEA (Preempted): This package was evaluated for the all-electric homes only and shows an alternative design that applies water heating equipment that is more efficient than federal standards meeting the NEEA Tier 3 rating. The Reach Codes Team considers this more reflective of how builders meet above code requirements in practice.
4. Efficiency + PV: Using the Efficiency Package as a starting point, PV capacity was added to offset most of the estimated electricity use.
5. Efficiency + PV + Battery: Using the Efficiency & PV Package as a starting point, a battery system was added. For mixed-fuel homes the package of efficiency measures differed from the Efficiency Package in some climate zones to arrive at a cost effective solution.

4 Results

Results are presented as per the prototype-specific Measure Packages described in Section 4. Overarching factors impacting the results include:

- Designation of a **'benefit'** or a **'cost'** varies with the scenarios because both energy savings, and incremental construction costs may be negative depending on the package. Typically, utility bill savings are categorized as a 'benefit' while incremental construction costs are treated as 'costs.' In cases where both construction costs are negative and utility bill savings are negative, the construction cost savings are treated as the 'benefit' while the utility bill negative savings are the 'cost.'
- All-electric packages will have lower **GHG emissions** than equivalent mixed-fuel packages in all cases, due to the clean power sources currently available from California's power providers.
- The Reach Codes Team coordinated with the City of South Lake Tahoe to select the most prevalent tariffs for each prototype given the annual energy demand profile. The Reach Codes Team **did not compare a variety of tariffs** to determine their impact on cost-effectiveness although utility rate changes or updates can affect on-bill cost-effectiveness results.

4.1 Residential Occupancies

Table 3 and Table 4 show results for the single family and ADU prototypes, respectively, for permanent residents using Liberty/Southwest Gas rates. Table 5 and Table 6 show results for the single family and ADU prototypes, respectively, for nonpermanent residents using Liberty /Southwest Gas rates. Results are shown for all the evaluated packages. All packages are cost-effective based on TDV. All of the single family packages are On-Bill cost-effective with the exception of the mixed fuel Efficiency + PV + Battery case. All of the ADU packages are On-Bill cost-effective with the exception of the mixed fuel Efficiency + PV + Battery case and the all-electric Efficiency + PV + Battery case under permanent resident rates.

Table 3: South Lake Tahoe Permanent Resident Single Family Cost-Effectiveness Summary

Case	Efficiency EDR2 Margin	Annual Elec Savings (kWh)	Annual Gas Savings (therms)	Average Annual GHG Reductions (metric tons)	Utility Cost Savings		Incremental Cost		On-Bill		TDV	
					First Year	Lifecycle (2022$)	First Year	Lifecycle (2022$)	B/C Ratio	NPV	B/C Ratio	NPV
All-Electric												
Code Minimum	6.0	-4,314	404	1.5	$79	$7,647	($3,257)	($2,954)	>1	$10,602	>1	$3,139
Efficiency Only	9.7	-4,027	404	1.6	$124	$8,705	($1,943)	($1,479)	>1	$10,184	>1	$3,675
Efficiency + NEEA	10.9	-3,825	404	1.6	$154	$9,429	($1,943)	($1,479)	>1	$10,908	>1	$4,277
Efficiency + PV	9.7	1,331	404	1.8	$921	$27,576	$7,051	$10,549	2.6	$17,026	1.9	$8,576
Efficiency + PV + Battery	18.1	1,183	404	2.3	$899	$27,055	$12,497	$22,036	1.2	$5,019	1.6	$11,922
Mixed Fuel												
Efficiency Only	14.9	-106	119	0.7	$191	$6,159	$3,344	$3,755	1.64	$2,404	2.2	$4,123
Efficiency + PV	14.9	1,331	119	0.8	$403	$11,201	$5,756	$6,981	1.6	$4,220	1.9	$5,419
Efficiency + PV + Battery	22.6	1,235	115	1.2	$382	$10,636	$10,780	$18,007	0.6	($7,371)	1.5	$8,024

Table 4: South Lake Tahoe Permanent Resident ADU Cost-Effectiveness Summary

Case	Efficiency EDR2 Margin	Annual Elec Savings (kWh)	Annual Gas Savings (therms)	Average Annual GHG Reductions (metric tons)	Utility Cost Savings		Incremental Cost		On-Bill		TDV	
					First Year	Lifecycle (2022$)	First Year	Lifecycle (2022$)	B/C Ratio	NPV	B/C Ratio	NPV
All-Electric												
Code Minimum	0.1	-1,807	122	0.4	($37)	$1,010	($2,640)	($2,261)	>1	$3,272	1.0	$22
Efficiency Only	8.8	-1,508	122	0.5	$12	$2,159	($2,749)	($1,170)	>1	$3,329	9.9	$748
Efficiency + NEEA	12.8	-1,400	122	0.5	$28	$2,539	($2,749)	($1,170)	>1	$3,709	>1	$1,580
Efficiency + PV	8.8	3,669	122	0.7	$779	$20,326	$5,941	$10,452	1.9	$9,874	1.7	$6,200
Efficiency + PV + Battery	16.4	3,629	122	1.0	$773	$20,183	$11,453	$22,027	0.9	($1,845)	1.4	$7,321
Mixed Fuel												
Efficiency Only	8.7	-628	87	0.4	$57	$2,553	$510	$1,787	1.43	$766	1.0	$52
Efficiency + PV	8.7	3,669	87	0.5	$694	$17,631	$7,723	$11,433	1.5	$6,199	1.4	$4,505
Efficiency + PV + Battery	16.2	3,652	87	0.8	$691	$17,568	$13,234	$23,007	0.8	($5,438)	1.2	$4,937

Table 5: South Lake Tahoe Nonpermanent Resident Single Family Cost-Effectiveness Summary

Case	Efficiency EDR2 Margin	Annual Elec Savings (kWh)	Annual Gas Savings (therms)	Average Annual GHG Reductions (metric tons)	Utility Cost Savings		Incremental Cost		On-Bill		TDV	
					First Year	Lifecycle (2022$)	First Year	Lifecycle (2022$)	B/C Ratio	NPV	B/C Ratio	NPV
All-Electric												
Code Minimum	6.0	-4,314	404	1.5	$57	$7,726	($3,257)	($2,954)	>1	$10,681	>1	$3,139
Efficiency Only	9.7	-4,027	404	1.6	$107	$8,895	($1,943)	($1,479)	>1	$10,374	>1	$3,675
Efficiency + NEEA	10.9	-3,825	404	1.6	$141	$9,717	($1,943)	($1,479)	>1	$11,196	>1	$4,277
Efficiency + PV	9.7	1,331	404	1.8	$1,028	$30,719	$7,051	$10,549	2.9	$20,169	1.9	$8,576
Efficiency + PV + Battery	18.1	1,183	404	2.3	$1,002	$30,114	$12,497	$22,036	1.4	$8,078	1.6	$11,922
Mixed Fuel												
Efficiency Only	14.9	-106	119	0.7	$209	$6,775	$3,344	$3,755	1.8	$3,019	2.2	$4,123
Efficiency + PV	14.9	1,331	119	0.8	$456	$12,627	$5,756	$6,981	1.8	$5,646	1.9	$5,419
Efficiency + PV + Battery	22.6	1,235	115	1.2	$432	$11,984	$10,780	$18,007	0.7	($6,023)	1.5	$8,024

Table 6: South Lake Tahoe Nonpermanent Resident ADU Cost-Effectiveness Summary

Case	Efficiency EDR2 Margin	Annual Elec Savings (kWh)	Annual Gas Savings (therms)	Average Annual GHG Reductions (metric tons)	Utility Cost Savings		Incremental Cost		On-Bill		TDV	
					First Year	Lifecycle (2022$)	First Year	Lifecycle (2022$)	B/C Ratio	NPV	B/C Ratio	NPV
All-Electric												
Code Minimum	0.1	-1,807	122	0.4	($55)	$769	($2,640)	($2,261)	>1	$3,030	1.0	$22
Efficiency Only	8.8	-1,508	122	0.5	$1	$2,102	($2,749)	($1,170)	>1	$3,272	9.9	$748
Efficiency + NEEA	12.8	-1,400	122	0.5	$20	$2,543	($2,749)	($1,170)	>1	$3,713	>1	$1,580
Efficiency + PV	8.8	3,669	122	0.7	$891	$23,188	$5,941	$10,452	2.2	$12,736	1.7	$6,200
Efficiency + PV + Battery	16.4	3,629	122	1.0	$884	$23,022	$11,453	$22,027	1.0	$995	1.4	$7,321
Mixed Fuel												
Efficiency Only	8.7	-628	87	0.4	$58	$2,692	$510	$1,787	1.5	$906	1.0	$52
Efficiency + PV	8.7	3,669	87	0.5	$797	$20,193	$7,723	$11,433	1.8	$8,761	1.4	$4,505
Efficiency + PV + Battery	16.2	3,652	87	0.8	$794	$20,121	$13,234	$23,007	0.9	($2,886)	1.2	$4,937

5 Summary

The Reach Codes Team developed packages of energy efficiency measures as well as packages combining energy efficiency with solar PV generation, simulated them in building modeling software, and gathered costs to determine the cost-effectiveness of multiple scenarios. The Reach Codes Team coordinated with multiple utilities, cities, and building community experts to develop a set of assumptions considered reasonable in the current market. Changing assumptions, such as the period of analysis, measure selection, cost assumptions, energy escalation rates, or utility tariffs are likely to change results.

Table 7: (all-electric) and

Table 8 (mixed fuel) summarize results for each prototype and depict the efficiency EDR2 compliance margins achieved for each package in Climate Zone 16. There were minor differences in the cost-effective outcome between permanent and nonpermanent resident rates. Because local reach codes must both exceed the Energy Commission performance budget (i.e., have a positive compliance margin) and be cost-effective, the Reach Codes Team highlighted cells meeting these two requirements to help clarify the upper boundary for potential reach code policies. All results presented in this study have a positive compliance margin.

- Cells highlighted in **green** depict a positive compliance margin and cost-effective results using both On-Bill and TDV approaches.
- Cells highlighted in **yellow** depict a positive compliance and cost-effective results using either the On-Bill or TDV approach.
- Cells **not highlighted** depict a package that was not cost effective using either the On-Bill or TDV approach.

The Reach Codes Team found all-electric code compliant new construction to be feasible and cost effective based on TDV and Liberty electricity rates for both the single family and ADU prototypes. The code-compliant all-electric building resulted in lower first year utility cost for the single family home, but slightly higher first cost for the ADU. Combining higher capacity PV systems and all-electric construction further reduces utility costs.

For a reach code that allows for mixed fuel buildings the mixed fuel efficiency, PV, and battery package was found to be cost effective based on TDV for both prototypes with EDR2 margins equal to 16.2.

Table 7: Summary of All-Electric Efficiency EDR2 Margins and Cost-Effectiveness

	Single Family				ADU			
Residency	**Code Min**	**EE**	**EE+PV**	**EE+PV /Batt**	**Code Min**	**EE**	**EE+PV**	**EE+PV /Batt**
Permanent	6.0	9.7	9.7	18.1	0.1	8.8	8.8	16.4
Nonpermanent	6.0	9.7	9.7	18.1	0.1	8.8	8.8	16.4

Table 8: Summary of Mixed Fuel Efficiency EDR2 Margins and Cost-Effectiveness

	Single Family			ADU		
Residency	**EE**	**EE+PV**	**EE+PV/ Batt**	**EE**	**EE+PV**	**EE+PV/ Batt**
Permanent	14.9	14.9	22.6	8.7	8.7	16.2
Nonpermanent	14.9	14.9	22.6	8.7	8.7	16.2

6 References

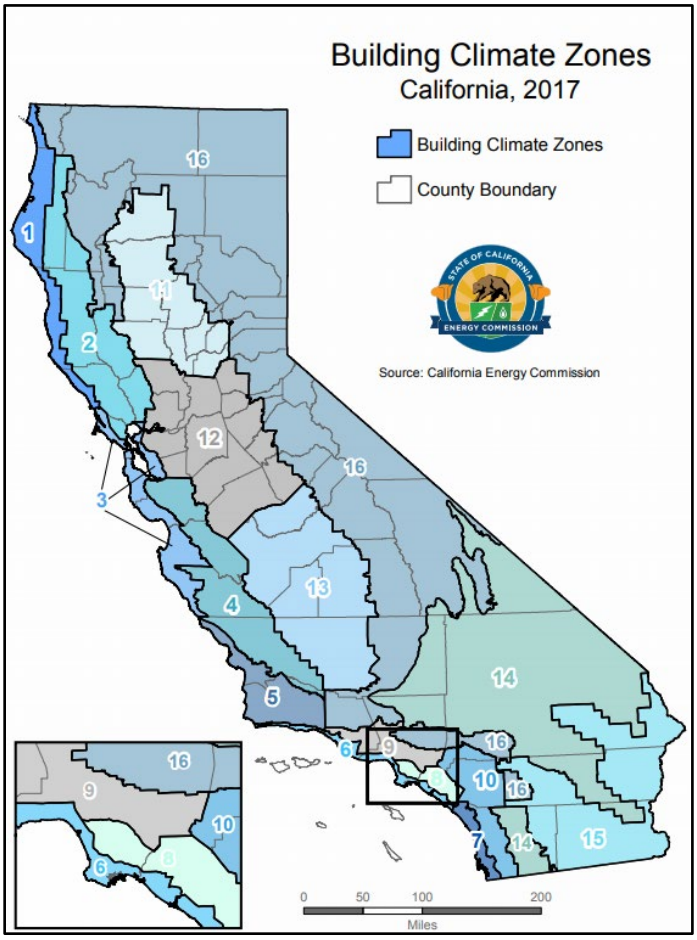
California Public Utilities Commission. (2021a). *Utility Costs and Affordability of the Grid of the Future: An Evaluation of Electric Costs, Rates, and Equity Issues Pursuant to P.U. Code Section 913.1.* Retrieved from https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/office-of-governmental-affairs-division/reports/2021/senate-bill-695-report-2021-and-en-banc-whitepaper_final_04302021.pdf

7 Appendices

7.1 Map of California Climate Zones

Climate zone geographical boundaries are depicted in Figure 1. The map in Figure 1 along with a zip-code search directory is available at: https://ww2.energy.ca.gov/maps/renewable/building_climate_zones.html

Figure 1. Map of California climate zones.



7.2 Utility Rate Schedules

The Reach Codes Team used the Liberty and Southwest Gas tariffs detailed below to determine the On-Bill savings for each package.

7.2.1 Liberty Utilities

Following are details on the Liberty Utility electricity tariff, D-1[2], applied in this study. For nonpermanent residents the rate for quantities in excess of baseline was applied to all energy use. A net energy metering arrangement was evaluated that credits any net generation monthly based on the appropriate rate per the tariff. Any generation credits do not offset the monthly minimum charge.[3] The CPUC Reimbursement Surcharge is applied monthly only when net kWh is positive.

[2] https://california.libertyutilities.com/uploads/CalPeco%20Tariffs/Schedule%20No%20D-1.pdf
[3] https://california.libertyutilities.com/uploads/NEM_NEMA%20PDF%207-13-17.pdf

SCHEDULE NO. D-1
DOMESTIC SERVICE

APPLICABILITY

This rate schedule is applicable to all domestic power service to separately metered single family dwellings and individual living units of multi-unit complexes, where such units are metered by the Utility.

TERRITORY

Entire California Service Area.

RATES

Customer Charge
Per meter, per month $9.67

Energy Charges (Per kWh)

A. For Quantities up to and Including Baseline Quantities (See Special Condition 2):

Distribution	Generation [1]	Vegetation [2]	SIP [4]	PPP [5]		BRRBA [7]	Total	
$0.08197	$0.04371	$0.00563	$0.00072	$0.00270	(R)	$0.01178	$0.14651	(R)

B. For Quantities in Excess of Baseline Quantities (See Special Condition 2):

$0.08197	$0.06751	$0.00563	$0.00072	$0.00270	(R)	$0.01178	$0.17031	(R)

Other Energy Charges (Per kWh)
Surcharges[8] $0.00160

Late Charge
1% on any amount 45 days in arrears from previous billings

Minimum Charge
The per meter, per month Customer Charge

1. Generation – Charge includes the Energy Cost Adjustment Clause Billing Factor as described in the Preliminary Statement, Number 6.
2. Vegetation – Charge to recover amounts in the Vegetation Management Balancing Account, as described in the Preliminary Statement, Number 18.
3. CEMA – Charge to recover amounts in the Catastrophic Event Memorandum Account as approved in D.16-12-024 and as described in the Preliminary Statement, Number 13.A.
4. SIP – Charge to recover the costs of the Solar Initiative Program as described in the Preliminary Statement, Number 21.
5. PPP – Charge to recover Public Purpose Programs funding energy efficiency and low-income assistance programs described in Preliminary Statement, Numbers 10, 17 and 19.
6. GRCMA – Charge to recover amounts in the General Rate Case Memorandum Account as described in the Preliminary Statement, Number 13.I.
7. BRRBA – Charge to recover amounts in the Base Revenue Requirement Balancing Account as described in the Preliminary Statement Number 8.
8. Surcharges – Charge to recover the Public Utilities Commission Reimbursement Surcharge as described in Rate Schedule RF and the Energy Commission Surcharge that is established by the California Energy Commission.

(Continued)

Advice Letter No.	180-E-A	Issued by Christopher G. Alario Name	Date Filed	November 1, 2021
Decision No.	D.21-10-023	President Title	Effective	January 1, 2022

7.2.2 Southwest Gas

The Southwest Gas monthly gas rate in $/therm was applied on a monthly basis for the 12-month period ending August 2022 according to the rates shown in Table 3.[4] The monthly basic service charge was based on the most current tariff statements. A Franchise Fee of 2.5% was applied to the total monthly bill. Lastly, the annual California Climate Credit of $49.44 for 2022 was applied.[5]

Table 3: Southwest Gas Monthly Gas Rate ($/therm)

Month	GN-10		GN-15	
	Baseline	Excess	Baseline	Excess
Jan 2022	$1.73806	$1.86329	$1.9138	$1.9138
Feb 2022	$1.71260	$1.83783	$1.88924	$1.88924
Mar 2022	$1.62528	$1.75051	$1.80192	$1.80192
Apr 2022	$1.65098	$1.77621	$1.82762	$1.82762
May 2022	$1.88741	$2.01264	$2.06405	$2.06405
June 2022	$1.99564	$2.12087	$2.17228	$2.17228
July 2022	$1.85374	$1.97897	$2.03038	$2.03038
Aug 2022	$1.85405	$1.97928	$2.03069	$2.03069
Sept 2021	$1.54984	$1.67507	$1.7218	$1.7218
Oct 2021	$1.71208	$1.83731	$1.88404	$1.88404
Nov 2021	$1.65364	$1.77887	$1.8256	$1.8256
Dec 2021	$1.67571	$1.80094	$1.84767	$1.84767

Schedule No. and Type of Charge	Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges CPUC	Other Surcharges PPP	Gas Cost	Effective Sales Rate
GN-10-Residential Gas Service							
Basic Service Charge	$5.75						$5.75
Cost per Therm							
Baseline Quantities	$ .73615	$ .34479	$1.08094	$ .00577	$ .05245	$ .91213	$2.05129
Tier II	.86138	.34479	1.20617	.00577	.05245	.91213	2.17652
GN-12-CARE Residential Gas Service							
Basic Service Charge	$4.00						$4.00
Cost per Therm							
Baseline Quantities	$ .33754	$ .34479	$ .68233	$ .00577	$ .03595	$ .91213	$1.63618
Tier II	.43772	.34479	.78251	.00577	.03595	.91213	1.73636
GN-15-Secondary Residential Gas Service							
Basic Service Charge	$6.00						$6.00
Cost per Therm	$ .91279	$ .34479	$1.25758	$ .00577	$ .05245	$ .91213	$2.22793

The baseline daily quantity in therms for all individually-metered residential uses are:

Climate Zone	Summer Season (May - Oct.)	Winter Off-Peak (Spring/Fall) (Mar., Apr. & Nov.)	Winter Peak (Dec.-Feb)
Barstow	0.39	1.12	2.11
Needles	0.23	0.53	0.92
Victorville	0.39	1.25	2.04

	Summer Season (June - Oct.)	Winter Off-Peak (Spring/Fall) (Apr., May & Nov.)	Winter Peak (Dec.-March)
Big Bear	0.46	1.45	2.83
No. Lake Tahoe	0.66	2.11	3.09
So. Lake Tahoe	0.72	2.04	3.09
Truckee	0.72	2.17	3.55

[4] https://www.swgas.com/en/california-rates-and-regulation
[5] https://www.cpuc.ca.gov/climatecredit/

7.2.3 Fuel Escalation Rates

7.2.3.1 Residential Occupancies

The average annual escalation rates in Table 10 were used in this study. The electricity and natural gas rates are based on assumptions from the CPUC 2021 En Banc hearings on utility costs through 2030 (California Public Utilities Commission, 2021a). Escalation rates through the remainder of the 30-year evaluation period are based on the escalation rate assumptions within the 2022 TDV factors. No data was available to estimate electricity escalation rates for South Lake Tahoe, therefore electricity escalation rates for PG&E and statewide natural gas escalation rates were applied.

Table 4: Real Utility Rate Escalation Rate Assumptions

Year	Statewide Natural Gas Average Rate (%/year, real)	PG&E Electric Average Rate (%/year, real)
2023	4.6%	1.8%
2024	4.6%	1.8%
2025	4.6%	1.8%
2026	4.6%	1.8%
2027	4.6%	1.8%
2028	4.6%	1.8%
2029	4.6%	1.8%
2030	4.6%	1.8%
2031	2.0%	0.6%
2032	2.4%	0.6%
2033	2.1%	0.6%
2034	1.9%	0.6%
2035	1.9%	0.6%
2036	1.8%	0.6%
2037	1.7%	0.6%
2038	1.6%	0.6%
2039	2.1%	0.6%
2040	1.6%	0.6%
2041	2.2%	0.6%
2042	2.2%	0.6%
2043	2.3%	0.6%
2044	2.4%	0.6%
2045	2.5%	0.6%
2046	1.5%	0.6%
2047	1.3%	0.6%
2048	1.6%	0.6%
2049	1.3%	0.6%
2050	1.5%	0.6%
2051	1.8%	0.6%
2052	1.8%	0.6%

Get In Touch

The adoption of reach codes can differentiate jurisdictions as efficiency leaders and help accelerate the adoption of new equipment, technologies, code compliance, and energy savings strategies.

As part of the Statewide Codes & Standards Program, the Reach Codes Subprogram is a resource available to any local jurisdiction located throughout the state of California.

Our experts develop robust toolkits as well as provide specific technical assistance to local jurisdictions (cities and counties) considering adopting energy reach codes. These include cost-effectiveness research and analysis, model ordinance language and other code development and implementation tools, and specific technical assistance throughout the code adoption process.

If you are interested in finding out more about local energy reach codes, the Reach Codes Team stands ready to assist jurisdictions at any stage of a reach code project.

Visit LocalEnergyCodes.com to access our resources and sign up for newsletters

Contact info@localenergycodes.com for no-charge assistance from expert Reach Code advisors

Follow us on Twitter

CALIFORNIA ENERGY CODES & STANDARDS
A STATEWIDE UTILITY PROGRAM

Last modified: 2023/02/03
Revision: 2.1

2022 CODE CYCLE:

Nonresidential New Construction Custom Cost Effectiveness Analysis: South Lake Tahoe

Prepared by:
TRC Companies, Inc

Prepared for:
Jay Madden, Codes and Standards Program, Southern California Edison

Pacific Gas and Electric Company® | SDGE A Sempra Energy utility® | Southern California Edison Energy for What's Ahead®

1100

Legal Notice

This report was prepared by Southern Califronai Edison and funded by the California utility customers under the auspices of the California Public Utilities Commission.

Copyright 2023, Southern California Edison. All rights reserved, except that this document may be used, copied, and distributed without modification.

Neither SCE nor any of its employees makes any warranty, express or implied; or assumes any legal liability or responsibility for the accuracy, completeness or usefulness of any data, information, method, product, policy or process disclosed in this document; or represents that its use will not infringe any privately-owned rights including, but not limited to, patents, trademarks or copyrights.

Acronym List

B/C – Benefit-to-Cost Ratio

CBECC - California Building Energy Code Compliance

CBSC - California Building Standards Commission

CEC - California Energy Commission

CZ – Climate Zone

GHG - Greenhouse Gas

IOU – Investor-Owned Utility

POU – Publicly Owned Utility

PG&E – Pacific Gas & Electric (utility)

SCE – Southern California Edison (utility)

SCG – Southern California Gas (utility)

SDG&E – San Diego Gas & Electric (utility)

CPAU – City of Palo Alto Utilities

LADWP – Los Angeles Department of Water and Power

kWh – Kilowatt Hour

NPV – Net Present Value

PV - Solar Photovoltaic

TDV - Time Dependent Valuation

Title 24 – California Code of Regulations Title 24, Part 6

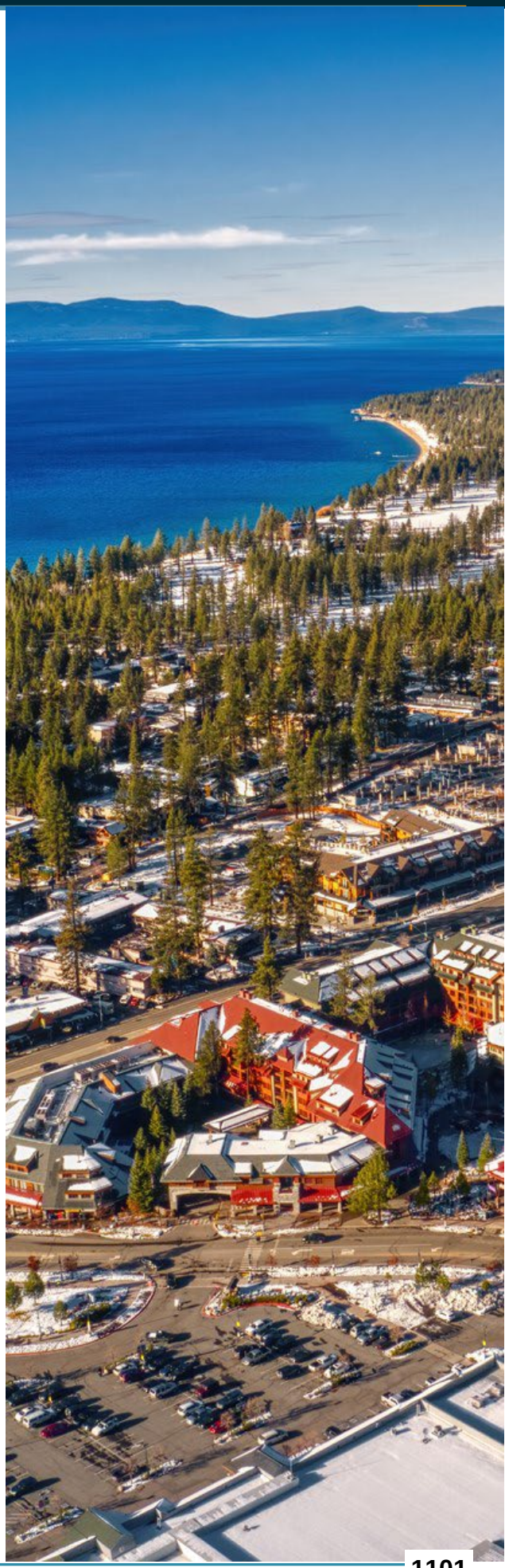


TABLE OF CONTENTS

1 Introduction 1
2 Methodology and Assumptions 2
2.1 Reach Codes 2
2.1.1 Benefits 2
2.1.2 Costs 2
2.1.3 Metrics 2
2.1.4 Utility Rates 3
2.2 Greenhouse Gas Emissions 3
2.3 Nonresidential Occupancies 3
3 Results 6
3.1 Nonresidential Occupancies 6
4 Summary 10
5 References 13
6 Appendices 14
6.1 Map of California Climate Zones 14
6.2 Utility Rate Schedules 15
6.2.1 South Lake Tahoe 15
6.2.2 Southwest Gas 17
6.2.3 Fuel Escalation Rates 18

LIST OF TABLES

Table 1. Utility Tariffs in South Lake Tahoe 3
Table 2: Nonresidential Prototype Characteristics 4
Table 3. Medium Office Cost-Effectiveness Summary 8
Table 4. Medium Retail Cost-Effectiveness Summary 8
Table 5. Quick-Service Restaurant Cost-Effectiveness Summary 8
Table 6. Small Hotel Cost-Effectiveness Summary 9
Table 7. Summary of Medium Office Packages 11
Table 8. Summary of Medium Retail Packages 11
Table 9. Summary of Quick Service Restaurant Packages 11
Table 10. Summary of Small Hotel Packages 11
Table 11: Real Utility Rate Escalation Rate Assumptions 18

LIST OF FIGURES

Figure 1. Map of California climate zones 14

1 Introduction

The California Codes and Standards (C&S) Reach Codes program provides technical support to local governments considering adopting a local ordinance (reach code) intended to support meeting local and/or statewide energy efficiency and greenhouse gas reduction goals. The program facilitates adoption and implementation of the code when requested by local jurisdictions by providing resources such as cost-effectiveness studies, model language, sample findings, and other supporting documentation.

The California Building Energy Efficiency Standards Title 24, Part 6 (Title 24) (CEC, 2022) is maintained and updated every three years by two state agencies: the California Energy Commission (the Energy Commission) and the Building Standards Commission (BSC). In addition to enforcing the code, local jurisdictions have the authority to adopt local energy efficiency ordinances—or reach codes—that exceed the minimum standards defined by Title 24 (as established by Public Resources Code Section 25402.1(h)2 and Section 10-106 of the Building Energy Efficiency Standards). Local jurisdictions must demonstrate that the requirements of the proposed ordinance are cost-effective and do not result in buildings consuming more energy than is permitted by Title 24. In addition, the jurisdiction must obtain approval from the Energy Commission and file the ordinance with the BSC for the ordinance to be legally enforceable.

This report is an addendum to the **2022 Nonresidential New Construction Reach Code Cost Effectiveness Study** modified to accurately represent the City of South Lake Tahoe, California. The study analyzes cost-effectiveness of measures and measure packages that exceed the minimum state requirements, the 2022 Building Energy Efficiency Standards, effective January 1, 2023, in newly constructed buildings. This report was developed in coordination with the California Statewide Investor Owned Utilities (IOUs) Codes and Standards Program, key consultants, and engaged cities - collectively known as the Reach Code Team (or “the Team” in short).

The prototype building designs analyzed in this study are newly constructed:

- Medium Office
- Medium Retail
- Quick-Service Restaurant
- Small Hotel

The methodology, prototype characteristics, and measure packages are retained from the main studies referenced above except for the energy costs are calculated using local South Lake Tahoe utility rates. Measure packages include combinations of energy efficiency, electrification, solar photovoltaics (PV) with results evaluated for California Climate Zone 16.

This report presents measures or measure packages that local jurisdictions may consider adopting to achieve energy savings and emissions reductions beyond what will be accomplished by enforcing minimum state requirements, the 2022 Building Energy Efficiency Standards (Title 24, Part 6), effective January 1, 2023.

Local jurisdictions may also adopt ordinances that amend different Parts of the California Building Standards Code or may elect to amend other state or municipal codes. The decision regarding which code to amend will determine the specific requirements that must be followed for an ordinance to be legally enforceable. Although a cost-effectiveness study is only required to amend Part 6 of the CA Building Code, it is important to understand the economic impacts of any policy decision. This study documents the estimated costs, benefits, energy impacts and greenhouse gas emission reductions that may result from implementing an ordinance based on the results to help residents, local leadership, and other stakeholders make informed policy decisions.

Model ordinance language and other resources are posted on the C&S Reach Codes Program website at LocalEnergyCodes.com. Local jurisdictions that are considering adopting an ordinance may contact the program for further technical support at info@localenergycodes.com.

2 Methodology and Assumptions

The Reach Codes Team analyzed four nonresidential prototypes to represent a variety of common building types using the cost-effectiveness methodology detailed in this section below. The general methodology is consistent with analyses of other prototypes, whereas some specifics such as utility rate selection are customized for the City of South Lake Tahoe rates.

2.1 Reach Codes

This section describes the approach to calculate cost-effectiveness including benefits, costs, metrics, and utility rate selection.

2.1.1 Benefits

This analysis used both on-bill and time dependent valuation (TDV) of energy-based approaches to evaluate cost-effectiveness. Both on-bill and TDV require estimating and quantifying the energy savings and costs associated with energy measures. The primary difference between on-bill and TDV is how energy is valued:

- On-Bill: Customer-based lifecycle cost approach that values energy based upon estimated site energy usage and customer on-bill savings using electricity and natural gas utility rate schedules over a 15-year duration for residential and 15 years for nonresidential designs, accounting for a three percent discount rate and energy cost inflation per Appendix 6.2.3.

- TDV: TDV was developed by the Energy Commission to reflect the time dependent value of energy including long-term projected costs of energy such as the cost of providing energy during peak periods of demand and other societal costs including projected costs for carbon emissions and grid transmission impacts. This metric values energy use differently depending on the fuel source (gas, electricity, and propane), time of day, and season. Electricity used (or saved) during peak periods has a much higher value than electricity used (or saved) during off-peak periods. This refers to the "Total TDV" that includes all the energy end uses such as space-conditioning, mechanical ventilation, service water heating indoor lighting, photovoltaic (PV) and battery storage systems, and covered process loads.

The Reach Codes Team performed energy simulations using the most recent software available (June 8, 2022) for 2022 Title 24 code compliance analysis, California's Building Energy Code Compliance Software CBECC 2022.1.0 (1250).

2.1.2 Costs

The Reach Codes Team assessed the incremental costs and savings of the energy packages over the lifecycle of 15 years for the nonresidential buildings. Incremental costs represent the equipment, installation, replacements, and maintenance costs of the proposed measure relative to the 2022 Title 24 Standards minimum requirements or standard industry practices. The Reach Code Team obtained baseline and measure costs from manufacturer distributors, contractors, literature review, and online sources such as RS Means.

2.1.3 Metrics

Cost-effectiveness is presented using net present value (NPV) and benefit-to-cost (B/C) ratio metrics.

- NPV: The Reach Codes Team uses net savings (NPV benefits minus NPV costs) as the cost-effectiveness metric. If the net savings of a measure or package is positive, it is considered cost effective. Negative net savings represent net costs to the consumer. A measure that has negative energy cost benefits (energy cost

increase) can still be cost effective if the costs to implement the measure are even more negative (i.e., construction and maintenance cost savings).

- B/C Ratio: Ratio of the present value of all benefits to the present value of all costs over 15 years (NPV benefits divided by NPV costs). The criterion for cost-effectiveness is a B/C greater than 1.0. A value of one indicates the savings over the life of the measure are equivalent to the incremental cost of that measure. A value greater than one represents a positive return on investment.

Improving the energy performance of a building often requires an initial investment. In most cases the benefit is represented by annual on-bill utility or TDV savings, and the cost by incremental first cost and replacement costs. However, some packages result in initial construction cost savings (negative incremental cost), and either energy cost savings (positive benefits), or increased energy costs (negative benefits). In cases where both construction costs and energy-related savings are negative, the construction cost savings are treated as the benefit while the increased energy costs are the cost. In cases where a measure or package is cost-effective immediately (i.e., upfront construction cost savings and lifetime energy cost savings), B/C ratio cost-effectiveness is represented by “>1”. Because of these situations, NPV savings are also reported, which, in these cases, are positive values.

2.1.4 Utility Rates

In coordination with the City of South Lake Tahoe and Liberty (LIB) and Southwest Gas (SWG) utilities, the Reach Codes Team determined appropriate tariffs for each package, summarized in Table 1, based on the annual load profile of the prototype and the corresponding package, and the most prevalent rate for each building type.

For a more detailed breakdown of the rates selected refer to Appendix 6.2 Utility Rate Schedules.

Table 1. Utility Tariffs in South Lake Tahoe

Electric / Gas Utility	Electricity	Natural Gas
Nonresidential Buildings		
LIB / SWG	A-1/A-2/A-3	SWG

Utility rates are assumed to escalate over time, using assumptions detailed in Appendix 9.2 of the main report. Please see the main *2022 Nonresidential New Construction Reach Code Cost Effectiveness Study* for further details on methodology.

2.2 Greenhouse Gas Emissions

The analysis uses the greenhouse gas (GHG) emissions estimates built-in to CBECC software. There are 8,760 hourly multipliers accounting for time dependent energy use and carbon emissions based on source emissions, including RPS projections. There are 32 strings of multipliers, with a different string for each California CZ and each fuel type (metric tons of CO_2 per kWh for electricity and metric tons of CO_2 per therm for natural gas).

2.3 Nonresidential Occupancies

Table 2 describes the basic characteristics of each nonresidential prototype design.

Table 2: Nonresidential Prototype Characteristics

	Medium Office	Medium Retail	Quick-Service Restaurant	Small Hotel
Conditioned floor area (ft²)	53,628	24,563	2,501	42,554 (77 guest rooms)
Number of stories	3	1	1	4
Window-to-Wall Area ratio	0.33	0.07	0.11	0.14
Window U-factor/SHGC	U-factor: CZ 1-8, 10, 16 – 0.36 CZ 9, 11-15 – 0.34 SHGC: CZ 1-8, 10, 16 – 0.25 CZ 9, 11-15 – 0.22	U-factor: CZ 1-8, 10, 16 – 0.36 CZ 9, 11-15 – 0.34 SHGC: CZ 1-8, 10, 16 – 0.25 CZ 9, 11-15 – 0.22	U-factor: CZ 1-8, 10, 16 – 0.36 CZ 9, 11-15 – 0.34 SHGC: CZ 1-8, 10, 16 – 0.25 CZ 9, 11-15 – 0.22	Nonresidential: U-factor: CZ 1-8,10,16 – 0.36 CZ 9, 11-15 –0.34 SHGC: CZ 1-8,10,16 – 0.25 CZ 9, 11-15 – 0.22 Guest Rooms: U-factor: 0.36 SHGC: 0.25
Solar PV size	123 kW – 204 kW Depending on CZ	64 kW – 87 kW Depending on CZ	None	17 kW – 25 kW Depending on CZ
Battery Storage	217 kWh – 360 kWh Depending on CZ	70 kWh – 94 kWh Depending on CZ	None	16 kWh – 24 kWh Depending on CZ
HVAC System	VAV reheat system with packaged rooftop units, gas boilers, VAV terminal units with hot water reheat	CZ 1 Heat recovery for Core Retail space only CZ 1, 16 < 65 kBtu/h: SZAC with gas furnace > 65 kBtu/h and < 240 kBtu/h: SZHP and gas furnace (i.e., dual fuel heat pump). VAV. > 240 kBtu/h: SZAC VAV with gas furnace CZ 2-15 < 65 kBtu/h: SZAC with gas furnace > 65 kBtu/h and < 240 kBtu/h: SZHP VAV > 240 kBtu/h: SZAC VAV with gas furnace	< 65 kBtu/h: SZAC + gas furnace > 65 kBtu/h: SZAC VAV	Nonresidential and Laundry: VAV reheat system with packaged rooftop units, gas boilers, VAV terminal units with hot water reheat Guest Rooms: SZAC with gas furnaces
SHW System	5-gallon electric resistance water heater	5-gallon electric resistance water heater	100-gallon gas water heater	Nonresidential: 30-gallon electric resistance water heater Laundry Room: 120-gal gas storage water heater Guest rooms: Central gas water heater, 250 gallons storage, recirculation loop

The Reach Codes Team evaluated mixed fuel efficiency and all-electric packages for each prototype and climate zone, as described below.

- **Mixed Fuel + Efficiency Measures**: Mixed-fuel prescriptive building per 2022 Title 24 requirements, including additional efficiency measures.
- **All-Electric Code Minimum Efficiency:** All-Electric building to minimum Title 24 prescriptive standards and federal minimum efficiency standards. This package has the same PV size as mixed-fuel prescriptive baseline.
- **All-Electric Energy Efficiency:** All-Electric building with added energy efficiency measures related to HVAC, SHW, lighting or envelope.
- **All-Electric Energy Efficiency + Load Flexibility:** All-Electric building with added energy efficiency and load flexibility measures.
- **All-Electric Energy Efficiency + Solar PV:** All-Electric building with added energy efficiency and additional Solar PV. The added PV size is larger than prescriptive 2022 Title 24 code requirements and accounts for roof space availability.

For Quick Service Restaurant (QSR), the Reach Code Team has analyzed two scenarios for All-Electric packages, one with electric cooking and the one with gas cooking (the latter of which is referred to as the "HS" package to reflect all-electric HVAC and SHW).

For Small Hotel, the Reach Code Team also analyzed an alternative scenario with PTHP instead of SZHP in All-Electric scenario. It is denoted by the "PTHP" in parenthesis in package name.

3 Results

Results are presented as per the prototype-specific Measure Packages described in Section 4. Overarching factors impacting the results include:

- Designation of a **'benefit'** or a **'cost'** varies with the scenarios because both energy savings, and incremental construction costs may be negative depending on the package. Typically, utility bill savings are categorized as a 'benefit' while incremental construction costs are treated as 'costs.' In cases where both construction costs are negative and utility bill savings are negative, the construction cost savings are treated as the 'benefit' while the utility bill negative savings are the 'cost.'
- Most all-electric packages will have lower **GHG emissions** than equivalent mixed-fuel packages in all cases, due to the clean power sources currently available from California's power providers.
- The Reach Codes Team coordinated with the City of South Lake Tahoe to select the most prevalent tariffs for each prototype given the annual energy demand profile. The Reach Codes Team **did not compare a variety of tariffs** to determine their impact on cost-effectiveness although utility rate changes or updates can affect on-bill cost-effectiveness results.

3.1 Nonresidential Occupancies

Across all prototypes in climate zone 16, the Reach Code Team identified cost-effective package of energy efficiency measures when added to the mixed-fuel baseline prototype.

- The Team identified On-Bill cost-effective packages for all-electric Medium Retail but couldn't identify any cost-effective all-electric packages for the Medium Office prototype.
- For Quick Service Restaurant, the Team could not identify any cost-effective all-electric packages.
- For Small Hotel, all-electric packages are On-Bill cost-effective with added efficiency with PTHP measures.

-

Table 3 through **Error! Reference source not found.** shows the results for the four nonresidential prototypes for all the evaluated packages for climate zone 16. Most packages are cost-effective based on On-Bill impacts due to lower electricity rates and high gas transportation charges.

- Across all prototypes in climate zone 16, the Reach Code Team identified cost-effective packages of energy efficiency measures when added to the mixed-fuel baseline prototype.
- The Team identified On-Bill cost-effective packages for all-electric Medium Retail but couldn't identify any cost-effective all-electric packages for the Medium Office prototype.
- For Quick Service Restaurant, the Team could not identify any cost-effective all-electric packages.
- For Small Hotel, all-electric packages are On-Bill cost-effective with added efficiency with PTHP measures.

Table 3. Medium Office Cost-Effectiveness Summary

Package	Elec Rate	Annual Elec Savings (kWh)	Annual Gas Savings (therms)	Annual GHG savings (tons)	Eff TDV Margin	Total Compliance Margin	Source kBtu Margin	Upfront Incremental Package Cost	Lifecycle Energy Cost Savings	Lifecycle $-TDV Savings	B/C Ratio (On-bill)	B/C Ratio (TDV)	NPV (On-bill)	NPV (TDV)
Mixed-Fuel + Efficiency Measures	LIB-A2	9,204	(125)	0.4	3.6	3.5	0.11	$0	$18,936	$16,744	>1	>1	$18,936	$16,744
All Electric Code Minimum Efficiency	LIB-A2	(130,271)	5,799	0.8	(66.5)	(63.6)	0.33	($52,070)	($147,106)	($303,371)	0.4	0.2	($95,036)	($251,301)
All Electric Energy Efficiency	LIB-A2	(123,647)	5,799	1.4	(63.7)	(60.8)	0.50	($52,070)	($132,203)	($290,084)	0.4	0.2	($80,133)	($238,013)
All-Electric Energy Efficiency and Load Flexibility	LIB-A2	(111,041)	5,799	5.0	(54.6)	(51.6)	1.61	($52,070)	($104,623)	($246,130)	0.5	0.2	($52,552)	($194,059)

Table 4. Medium Retail Cost-Effectiveness Summary

Package	Elec Rate	Annual Elec Savings (kWh)	Annual Gas Savings (therms)	Annual GHG savings (tons)	Eff TDV Margin	Total Compliance Margin	Source kBtu Margin	Upfront Incremental Package Cost	Lifecycle Energy Cost Savings	Lifecycle $-TDV Savings	B/C Ratio (On-bill)	B/C Ratio (TDV)	NPV (On-bill)	NPV (TDV)
Mixed-Fuel + Efficiency Measures	LIB-A2	4,232	(86)	0.2	3.8	3.9	0.13	$0	$8,456	$8,480	>1	>1	$8,456	$8,480
All Electric Code Minimum Efficiency	LIB-A2	(44,088)	3,537	11.4	(26.4)	(26.5)	7.67	($67,904)	($28,887)	($57,931)	2.4	1.2	$39,017	$9,974
All Electric Energy Efficiency	LIB-A2	(40,583)	3,537	12.0	(22.6)	(22.6)	8.04	($67,904)	($21,904)	($49,384)	3.1	1.4	$46,001	$18,521

Table 5. Quick-Service Restaurant Cost-Effectiveness Summary

Package	Elec Rate	Annual Elec Savings (kWh)	Annual Gas Savings (therms)	Annual GHG savings (tons)	Eff TDV Margin	Total Compliance Margin	Source kBtu Margin	Upfront Incremental Package Cost	Lifecycle Energy Cost Savings	Lifecycle $-TDV Savings	B/C Ratio (On-bill)	B/C Ratio (TDV)	NPV (On-bill)	NPV (TDV)
Mixed-Fuel + Efficiency Measures	LIB-A1	10,088	936	7.0	208.0	208.0	113.86	$22,540	$49,360	$46,308	2.2	2.1	$26,820	$23,768
All Electric HS Energy Code Minimum Efficiency	LIB-A1	(57,545)	4,788	14.7	(315.2)	(315.2)	(11.34)	$23,206	($45,993)	($70,150)	-2.0	-3.0	($69,199)	($93,356)
All-Electric HS Energy Efficiency	LIB-A1	(36,879)	4,788	18.6	(56.6)	(56.6)	14.47	$45,745	$10,545	($12,601)	0.2	-0.3	($35,200)	($58,346)

All-Electric HS Energy Efficiency + Load Flexibility	LIB-A1	(36,807)	4,788	20.0	28.7	28.7	23.39	$51,155	$10,743	$6,395	0.2	0.1	($40,412)	($44,760)
All-Electric HS Energy Efficiency + Solar PV	LIB-A1	(6,302)	4,788	20.1	(56.6)	177.8	23.90	$96,153	$94,196	$39,572	1.0	0.4	($1,957)	($56,581)
All Electric Code Minimum Efficiency	LIB-A2	(160,672)	12,242	36.0	(395.8)	(395.8)	(18.97)	$143,959	($67,951)	($222,219)	-0.5	-1.5	($211,909)	($366,177)
All Electric Energy Efficiency	LIB-A2	(138,982)	12,242	40.1	(123.7)	(123.7)	8.04	$166,498	($21,970)	($161,663)	-0.1	-1.0	($188,469)	($328,161)
All-Electric Energy Efficiency + Load Flexibility	LIB-A2	(139,097)	12,242	41.7	(26.6)	(26.6)	18.17	$171,908	($17,737)	($140,052)	-0.1	-0.8	($189,645)	($311,960)

Table 6. Small Hotel Cost-Effectiveness Summary

Package	Elec Rate	Annual Elec Savings (kWh)	Annual Gas Savings (therms)	Annual GHG savings (tons)	Eff TDV Margin	Total Compliance Margin	Source kBtu Margin	Upfront Incremental Package Cost	Lifecycle Energy Cost Savings	Lifecycle $-TDV Savings	B/C Ratio (On-bill)	B/C Ratio (TDV)	NPV (On-bill)	NPV (TDV)
Mixed-Fuel + Efficiency Measures	LIB-A2	8,939	2,952	18.4	30.6	30.6	6.4	$21,214	$89,204	$116,017	4.2	5.5	$67,990	$94,804
All Electric Code Minimum Efficiency	LIB-A2	(313,257)	17,363	61.4	(56.4)	(56.4)	17.4	($179,779)	($491,561)	($248,882)	0.4	0.7	($311,782)	($69,103)
All Electric Energy Efficiency	LIB-A2	(271,171)	17,363	65.0	(35.4)	(35.4)	18.8	($158,565)	($290,419)	($167,773)	0.5	0.9	($131,854)	($9,207)
All Electric Code Energy Efficiency + Solar PV	LIB-A2	(194,632)	17,363	67.9	(35.4)	(0.4)	19.9	($3,588)	($127,186)	($35,212)	0.0	0.1	($123,598)	($31,623)
All-Electric Code Minimum Efficiency with PTHP	LIB-A3	(299,522)	17,363	64.5	(38.3)	(38.3)	18.6	($652,012)	($452,057)	($180,549)	1.4	3.6	$199,956	$471,464

4 Summary

The Reach Codes Team developed packages of energy efficiency measures as well as packages combining energy efficiency with solar PV generation, simulated them in building modeling software, and gathered costs to determine the cost-effectiveness of multiple scenarios. The Reach Codes Team coordinated with multiple utilities, cities, and building community experts to develop a set of assumptions considered reasonable in the current market. Changing assumptions, such as the period of analysis, measure selection, cost assumptions, energy escalation rates, or utility tariffs are likely to change results.

CZ	Utility	Mixed Fuel	All-electric			All-electric "HS" (HVAC+SHW)			
		EE	Code Min	EE	EE + LF	Code Min	EE	EE + LF	EE + PV
16	LIB/SWG	Both	-	-	-	-	-	Comp	-

The combined result of cost effectiveness and code compliance across all packages are detailed in Table 7 through Table 10 below. The tables are formatted to show:

- "Both" with **green** highlight – for scenarios that are cost effective on both metrics and have positive compliance margin across all three compliance metrics.
- "TDV/On-Bill" with **yellow** highlight – for scenarios that are cost effective on either one of the metrics and has positive compliance margin across all three compliance metrics.
- "Comp" with gray highlight – for scenarios that are not cost effective on either metric but have positive compliance margin across all three compliance metrics.
- "-" with no color highlight – for scenarios that do not comply across any one code compliance metric and may or may not be cost effective.

The package names in table results columns are as follows:

- Mixed fuel – EE: Mixed Fuel + Efficiency Measures
- All-Electric – Code Min: All-Electric Code Minimum Efficiency
- All-Electric – EE: All-Electric Energy Efficiency
- All-Electric – EE+ LF: All-Electric Energy Efficiency and Load Flexibility
- All-Electric – EE + PV: All-Electric Energy Efficiency and Solar PV
- All-Electric – Code Min with PTHP: All-Electric Code Minimum Efficiency with PTHP

The QSR has two electrification scenarios, with and without cooking appliance electrification, which is denoted by "HS" prefix.
The Small Hotel has an extra package that evaluates a different HVAC type in the All-Electric Code Minimum Efficiency package, a Packaged Terminal Heat Pump (PTHP) instead of a Single Zone Heat Pump.

Due to the greenhouse gas savings potential, the Reach Code Team advises jurisdictions to require All-Electric packages where there is **green** or **yellow** highlight (cost effective and compliant). Jurisdictions may also consider adopting all-electric requirements where packages are shown as gray highlight (compliant but may or may not be

cost effective) if they are looking to require electrification based on energy code compliance alone and less concerned about cost impacts.

Table 7. Summary of Medium Office Packages

CZ	Utility	Mixed Fuel	All-Electric		
		EE	Code Min	EE	EE + LF
16	LIB	Both	-	-	-

Table 8. Summary of Medium Retail Packages

CZ	Utility	Mixed Fuel	All-Electric	
		EE	Code Min	EE
16	LIB	Both	-	-

Table 9. Summary of Quick Service Restaurant Packages

CZ	Utility	Mixed Fuel	All-electric			All-electric "HS" (HVAC+SHW)			
		EE	Code Min	EE	EE + LF	Code Min	EE	EE + LF	EE + PV
16	LIB	Both	-	-	-	-	-	Comp	-

Table 10. Summary of Small Hotel Packages

CZ	Utility	Mixed Fuel	All-Electric				
		EE	Code Min	EE	EE + LF	EE + PV	Code Min + PTHP
16	LIB	Both	-	-	-	-	-

LEGEND KEY

Both	Compliant & c/e on both metrics
On-bill/TDV	Compliant & c/e on one metric
Comp	Compliant not c/e
-	Not compliant

Please refer to the limitations of this study, described in *2022 Nonresidential New Construction Reach Code Cost Effectiveness Study* Section 3.5, while using these results to inform reach code policies. Medium Retail All-Electric packages are cost-effective, but not code-compliant due to the use of electric resistance VAV reheat systems. The most likely all-electric replacement for a central gas boiler serving a variable air volume reheat system would be a central heat pump boiler; however, this system cannot be modeled in CBECC at the time of the writing of this report. As such, the Reach Code Team is treating this analysis as temporary until a compliance pathway is established for a central heat pump boiler in the Energy Code and results can be updated accordingly. This modeling capability is anticipated in early 2023 according to discussions with the CBECC software development team, and the cost-effectiveness analysis should become available in the first half of 2023. Heat pump systems are multiple times more efficient, but may also be multiple times more costly than the electric resistance reheat systems currently analyzed.

Results support reach code adoption for energy efficiency measures over mixed fuel nonresidential building types for all four prototypes in South Lake Tahoe. The All-Electric packages indicate the capability of achieving the greatest greenhouse savings as compared to mixed-fuel buildings. All-Electric Medium Retail is found to be cost effective but is not code compliant. The Team didn't identify cost-effectiveness for any of the Quick Service Restaurant, but with added efficiency and Load Flexibility, they are compliant in climate zone 16 and hence can be pursued for reach code with an exemption for the commercial cooking appliance. All-electric Small Hotel with PTHP is cost-effective in climate zone 16 but do not achieve compliance because of high heating loads being met by electric resistance VAV system instead of efficient heat pumps in nonresidential areas. This is a similar limitation as Medium Office and will be re-evaluated in 2023.

5 References

California Public Utilities Commission. (2021a). *Utility Costs and Affordability of the Grid of the Future: An Evaluation of Electric Costs, Rates, and Equity Issues Pursuant to P.U. Code Section 913.1.* Retrieved from https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/office-of-governmental-affairs-division/reports/2021/senate-bill-695-report-2021-and-en-banc-whitepaper_final_04302021.pdf

E3. (2021). Retrieved from https://efiling.energy.ca.gov/GetDocument.aspx?tn=233260&DocumentContentId=65748

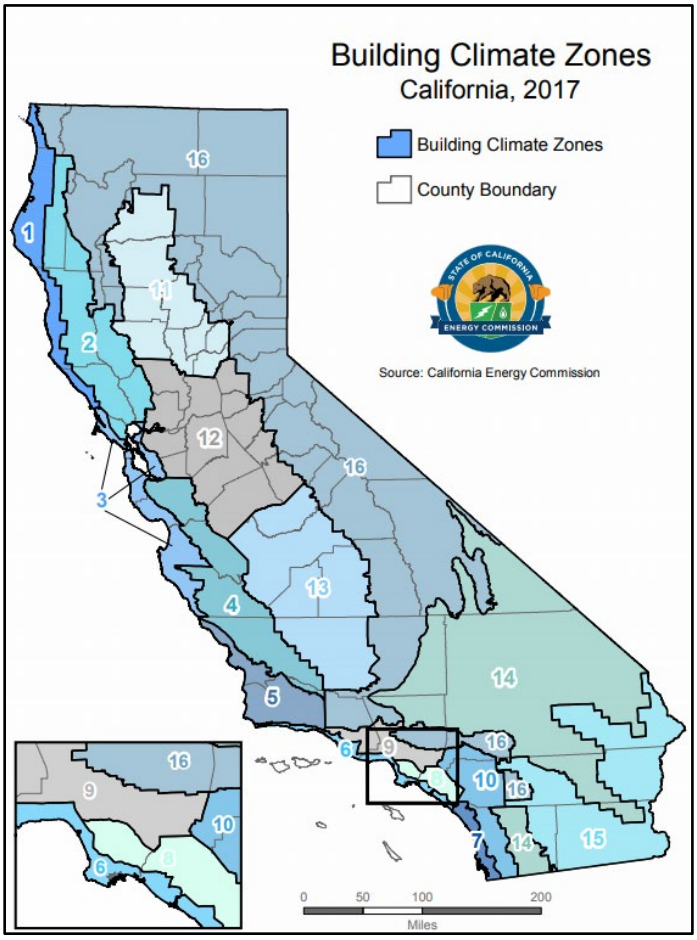
NORESCO. (2020). *Time Dependent Valuation of Energy for Developing Building Efficiency Standards.* Retrieved from https://efiling.energy.ca.gov/GetDocument.aspx?tn=233257&DocumentContentId=65743

6 Appendices

6.1 Map of California Climate Zones

Climate zone geographical boundaries are depicted in Figure 1. The map in Figure 1 along with a zip-code search directory is available at: https://ww2.energy.ca.gov/maps/renewable/building_climate_zones.html

Figure 1. Map of California climate zones.



6.2 Utility Rate Schedules

The Reach Codes Team used the South Lake Tahoe tariffs detailed below to determine the On-Bill impacts.

6.2.1 South Lake Tahoe

6.2.1.1 Nonresidential

Following are the South Lake Tahoe electricity tariffs applied in this study. Liberty for electricity usage, and Southwest Gas for gas usage.

6.2.1.1.1 Liberty

Following are the Liberty electricity tariffs applied in this study.[1] A-1/A-2/A-3 is applied based on the peak demand.

Canceling **27th Revised** CPUC Sheet No. **107**

SCHEDULE NO. A-1
SMALL GENERAL SERVICE

APPLICABILITY

This schedule is applicable to all non-domestic service where demand is less than fifty (50) kilowatts and no other schedule is specifically applicable. This schedule is applicable to service for agricultural irrigation (Schedule No. PA, Optional Interruptible Irrigation Service) for the billing periods December 1 through the end of February. Non-profit group living facilities taking service under this schedule may be eligible for a 20% low-income rate discount on their bill, if such facilities qualify to receive service under the terms and conditions of Schedule EXPCARE.

TERRITORY

Entire California Service Area.

RATES

Customer Charge
Per meter, per month $17.38

Energy Charges (Per kWh)
A. Rates that are applicable to Customers where demand has not exceeded twenty (20) kilowatts for any three (3) months during the preceding twelve (12) months. Applicability criteria are set forth in Special Condition 5.

Distribution	Generation 1	Vegetation 2	SIP 4	PPP 5	BRRBA 7	Total
$0.09335	$0.06142	$0.00633	$0.00072	$0.00270 **(R)**	$0.04528	$0.20980 **(R)**

B. Rates that are applicable to all other Customers not meeting applicability criteria set forth in Special Condition 5.

$0.09335	$0.06142	$0.00633	$0.00072	$0.00270 **(R)**	$0.04528	$0.20980 **(R)**

Other Energy Charges (Per kWh)
Surcharges $0.00160

1. Generation – Charge includes the Energy Cost Adjustment Clause Billing Factor as described in the Preliminary Statement, Number 6.
2. Vegetation – Charge to recover amounts in the Vegetation Management Balancing Account, as described in the Preliminary Statement, Number 18.
3. CEMA – Charge to recover amounts in the Catastrophic Event Memorandum Account as approved in D16-12-024 and as described in the Preliminary Statement, Number 13.A.
4. SIP – Charge to recover the costs of the Solar Initiative Program as described in the Preliminary Statement, Number 21.
5. PPP – Charge to recover Public Purpose Programs funding energy efficiency and low income assistance programs described in Preliminary Statement, Numbers 10, 17 and 19.
6. GRCMA – Charge to recover amounts in the General Rate Case Memorandum Account as described in the Preliminary Statement, Number 13.I.
7. BRRBA – Charge to recover amounts in the Base Revenue Requirement Balancing Account as described in the Preliminary Statement Number 8.
8. Surcharges – Charge to recover the Public Utilities Commission Reimbursement Surcharge as described in Rate Schedule RF and the Energy Commission Surcharge that is established by the California Energy Commission.

[1] Liberty Tariffs & Rates Page

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
SOUTH LAKE TAHOE, CALIFORNIA 28th Revised CPUC Sheet No. 113
Canceling 27th Revised CPUC Sheet No. 113

SCHEDULE NO. A-2
MEDIUM GENERAL SERVICE

APPLICABILITY

This schedule is applicable to all service where maximum demand is between fifty (50) kilowatts and two hundred (200) kilowatts for any three months during the preceding twelve months and where another schedule is not specifically applicable. Non-profit group living facilities taking service under this schedule may be eligible for a 20% low-income rate discount on their bill, if such facilities qualify to receive service under the terms and conditions of Schedule EXPCARE.

TERRITORY

Entire California Service Area.

RATES

Customer Charge
Per meter, per month $43.78

Demand Charge
Per kW of Maximum Demand per month

	Distribution	Generation	Total
Winter	$12.97	$0.00	$12.97
Summer	$ 0.00	$8.43	$ 8.43

Energy Charges (Per kWh)

	Distribution	Generation [1]	Vegetation [2]	SIP [4]	PPP [5]		BRRBA [7]	Total	
Winter	$0.05022	$0.02913	$0.00449	$0.00072	$0.00270	(R)	$0.04528	$0.13254	(R)
Summer	$0.00000	$0.10255	$0.00449	$0.00072	$0.00270	(R)	$0.04528	$0.15574	(R)

Other Energy Charges (Per kWh)
Surcharges[8] $0.00160

1. Generation – Charge includes the Energy Cost Adjustment Clause Billing Factor as described in the Preliminary Statement, Number 6.
2. Vegetation – Charge to recover amounts in the Vegetation Management Balancing Account, as described in the Preliminary Statement, Number 18.
3. CEMA – Charge to recover amounts in the Catastrophic Event Memorandum Account as approved in D16-12-024 and as described in the Preliminary Statement, Number 13.A.
4. SIP – Charge to recover the costs of the Solar Initiative Program as described in the Preliminary Statement, Number 21.
5. PPP – Charge to recover Public Purpose Programs funding energy efficiency and low income assistance programs described in Preliminary Statement, Numbers 10, 17 and 19.
6. GRCMA – Charge to recover amounts in the General Rate Case Memorandum Account as described in the Preliminary Statement, Number 13.I.
7. BRRBA – Charge to recover amounts in the Base Revenue Requirement Balancing Account as described in the Preliminary Statement Number 8.
8. Surcharges – Charge to recover the Public Utilities Commission Reimbursement Surcharge as described in Rate Schedule RF and the Energy Commission Surcharge that is established by the California Energy Commission.

(Continued)

Issued by
Advice Letter No. 180-E-A Christopher G. Alario Date Filed November 1, 2021
Name
Decision No. D.21-10-023 President Effective January 1, 2022
Title
Resolution No. _____

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
SOUTH LAKE TAHOE, CALIFORNIA 28th Revised CPUC Sheet No. 120
Canceling 27th Revised CPUC Sheet No. 120

SCHEDULE NO. A-3
LARGE GENERAL SERVICE

APPLICABILITY

This schedule is applicable to three-phase general service, including light and power. This schedule is mandatory for all customers whose monthly maximum demand exceeds two hundred (200) kilowatts for any three months during the preceding twelve months. Customer shall contract for service hereunder for a minimum term of not less than one (1) year. For a customer who installs electric bus charging stations, the period of time in which the demand charge is calculated for those charging stations will be increased from 15 minutes to 30 minutes. The customer who installs these stations must deploy a minimum of 2 buses that utilize these stations. Non-profit group living facilities taking service under this schedule may be eligible for a 20% low-income rate discount on their bill, if such facilities qualify to receive service under the terms and conditions of Schedule EXPCARE.

TERRITORY

Entire California Service Area.

RATES

Customer Charge
Per meter, per month $517.94

Facilities Charge
Per kW of Maximum Demand, per month $5.82

Demand Charges
Per kW of Billing Demand for relevant time-of-use period, per month (See Special Condition 6)

	Distribution	Generation	Total
Winter			
On-Peak	$7.17	$ 1.86	$ 9.03
Mid-Peak	$2.12	$ 1.28	$ 3.40
Summer			
On-Peak	$3.00	$11.92	$14.92

Energy Charges (Per kWh)

	Distribution	Generation 1	Vegetation 2	SIP 4	PPP 5		BRRBA 7	Total	
Winter									
On-Peak	$0.03231	$0.04556	$0.00000	$0.00072	$0.00270	(R)	$0.04528	0.12657	(R)
Mid-Peak	$0.02760	$0.04637	$0.00000	$0.00072	$0.00270	(R)	$0.04528	0.12267	(R)
Off-Peak	$0.01456	$0.03870	$0.00000	$0.00072	$0.00270	(R)	$0.04528	0.10196	(R)
Summer									
On-Peak	$0.04279	$0.04547	$0.00000	$0.00072	$0.00270	(R)	$0.04528	0.13696	(R)
Off-Peak	$0.02312	$0.03640	$0.00000	$0.00072	$0.00270	(R)	$0.04528	0.10822	(R)

Other Energy Charges (Per kWh)
Surcharges 8 $0.00160

(Continued)

Issued by
Advice Letter No. 180-E-A Christopher G. Alario Date Filed November 1, 2021
Name
Decision No. D.21-10-023 President Effective January 1, 2022
Title
Resolution No. _____

6.2.2 Southwest Gas

Following are the GN-40 Southwest Gas tariffs applied in this study. The Transportation Service Charge doesn't apply here since South Lake Tahoe is not a "transportation customer". The transportation customer refers to a nonresidential customer who purchases their natural gas independently of Southwest Gas on the natural gas market, and then pays Southwest Gas a monthly transportation fee to transport their purchased gas to their facility.

SOUTHWEST GAS CORPORATION
P.O. Box 98510
Las Vegas, Nevada 89193-8510
California Gas Tariff

175th Revised Cal. P.U.C. Sheet No. 69
Canceling 174th Revised Cal. P.U.C. Sheet No. 69

STATEMENT OF RATES

RATES APPLICABLE TO NORTHERN CALIFORNIA SERVICE AREA [1] [2]

	Margin	Charges [3] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges CPUC	Other Surcharges PPP	Gas Cost	Effective Sales Rate	
GN-40-Core General Gas Service (Covered Entities)								
Basic Service Charge	$11.00						$ 11.00	
Transportation Service Charge	$780.00						$780.00	
Cost per Therm								
First 100	$ .62309	$ .23890	$ .86199	$ .00577	$ .05245	$ .71489	$1.63510	I
Next 500	.46242	.23890	.70132	.00577	.05245	.71489	1.47443	I
Next 2,400	.32595	.23890	.56485	.00577	.05245	.71489	1.33796	I
Over 3,000	.12234	.23890	.36124	.00577	.05245	.71489	1.13435	I

6.2.3 Fuel Escalation Rates

6.2.3.1 Nonresidential Occupancies

Table 11 below demonstrate the escalation rates used for nonresidential buildings.

Table 11: Real Utility Rate Escalation Rate Assumptions

	Source	Statewide Electric Nonresidential Average Rate (%/year, real)	Statewide Natural Gas Nonresidential Core Rate (%/year, real)
2023	E3 2019	2.0%	4.0%
2024	2022 TDV	0.7%	7.7%
2025	2022 TDV	0.5%	5.5%
2026	2022 TDV	0.7%	5.6%
2027	2022 TDV	0.2%	5.6%
2028	2022 TDV	0.6%	5.7%
2029	2022 TDV	0.7%	5.7%
2030	2022 TDV	0.6%	5.8%
2031	2022 TDV	0.6%	3.3%
2032	2022 TDV	0.6%	3.6%
2033	2022 TDV	0.6%	3.4%
2034	2022 TDV	0.6%	3.4%
2035	2022 TDV	0.6%	3.2%
2036	2022 TDV	0.6%	3.2%
2037	2022 TDV	0.6%	3.1%

Get In Touch

The adoption of reach codes can differentiate jurisdictions as efficiency leaders and help accelerate the adoption of new equipment, technologies, code compliance, and energy savings strategies.

As part of the Statewide Codes & Standards Program, the Reach Codes Subprogram is a resource available to any local jurisdiction located throughout the state of California.

Our experts develop robust toolkits as well as provide specific technical assistance to local jurisdictions (cities and counties) considering adopting energy reach codes. These include cost-effectiveness research and analysis, model ordinance language and other code development and implementation tools, and specific technical assistance throughout the code adoption process.

If you are interested in finding out more about local energy reach codes, the Reach Codes Team stands ready to assist jurisdictions at any stage of a reach code project.

Visit LocalEnergyCodes.com to access our resources and sign up for newsletters

Contact info@localenergycodes.com for no-charge assistance from expert Reach Code advisors

Follow us on Twitter

Reach Code Stakeholder Advisory Committee Poll Results and Comments

South Lake Tahoe

Polling Conducted: 5/4/23

Poll #1: Other Educational Topics

1.Which topics do you feel our community could benefit from with additional education?

Participants	9	
Building electrification	5/9 participants	55%
Heat pump technology (i.e., space heating and cooling, hot water, dryers)	8/9 participants	88%
Solar PV and Energy Storage Systems (ESS)	2/9 participants	22%
Induction cooking for commercial applications	3/9 participants	33%
Induction cooking for residential applications	4/9 participants	44%

2. Additional Comments

- Heat source reliability.
- Doing a cost benefit analysis of how to start getting power lines underground.

Poll #2: Other Building Systems

1. Which building systems should be priority for the City to address with respect to GHG reduction and energy efficiency?

Participants	9	
Appliances	3/9 participants	33%
HVAC Systems (Space heating and cooling)	6/9 participants	66%
Hot water systems	4/9 participants	44%
Solar PV and Energy Storage Systems (ESS)	1/9 participants	11%
Insulation / Weatherization	7/9 participants	77%
Electric Vehicle Charing Infrastructure	2/9 participants	22%

2. Additional Comments

- Looking into alternative materials for roads so that they don't have to be redone all the time and could possibly last longer than a season.

Poll #3: All-electric Buildings

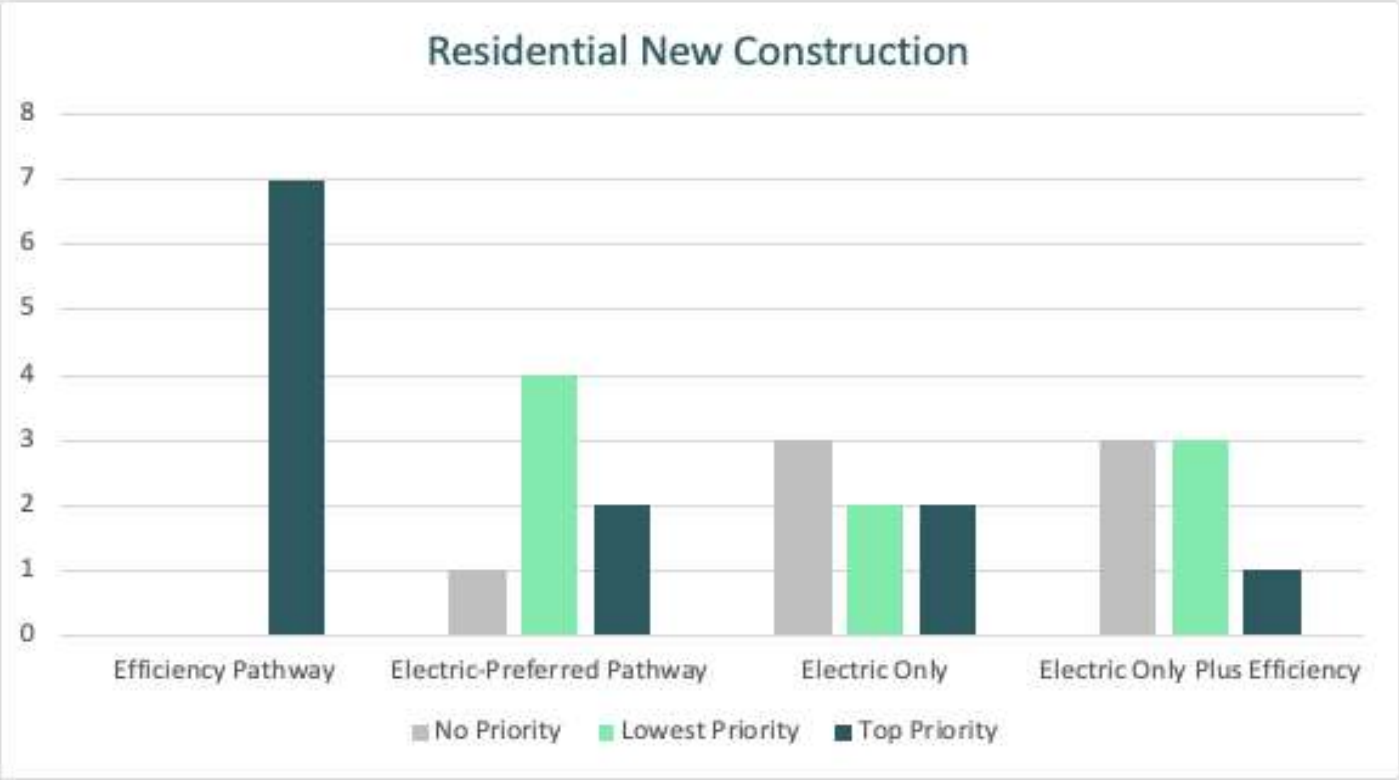
1. If City Council were to consider requiring all-electric new construction for new residential and commercial buildings what information should be included in those decisions?

Participants	8	
Economic impacts of requirements	7/8 participants	87%
Cost effectiveness of requirements	6/8 participants	75%
Effect of requirements on meeting City GHG and energy efficiency goals	2/8 participants	25%
Options for backup power and back up heat sources	6/8 participants	75%
Power outages and grid reliability	6/8 participants	75%
I need more information to respond.	0/8 participants	0%

2. Additional Comments

- Ensure that it doesn't create extra waste or expense by switching over.

Poll #4: Residential New Construction			
1. For new residential construction, please rank the reach code policy pathway the City should prioritize.			
7 Participants	No Priority	Lowest Priority	Top Priority
Efficiency Pathway: All new construction exceeds minimum energy code	0	0	7
Electric-Preferred Pathway: Only mixed fuel buildings exceed minimum energy code	1	4	2
Electric Only: All new construction is electric only	3	2	2
Electric Only Plus Efficiency: All new construction is electric only and exceeds minimum energy code	3	3	1
2. Additional Comments			
No additional comments.			



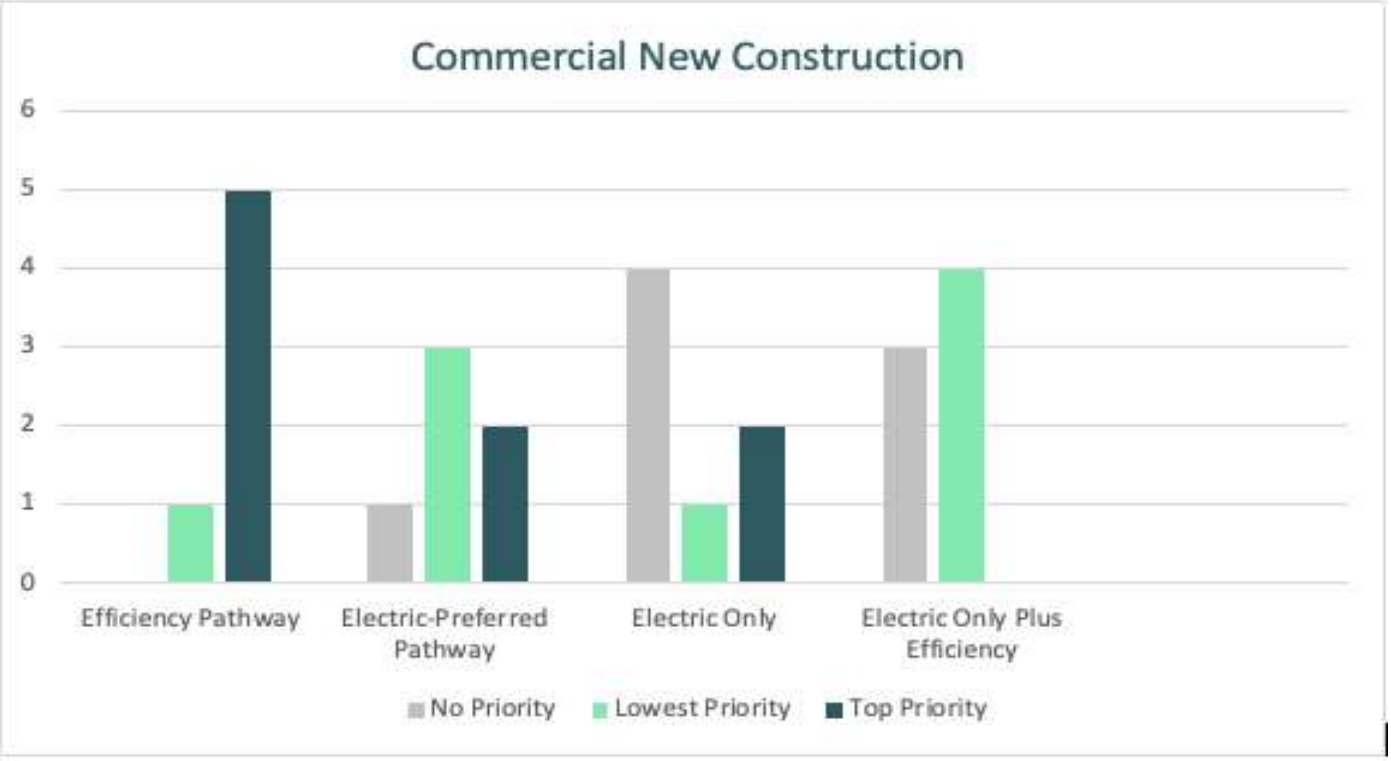
Poll #5: Commercial New Construction

1. For new commercial construction, please rank the reach code policy pathway the City should prioritize.

7 Participants	No Priority	Lowest Priority	Top Priority
Efficiency Pathway: All new construction exceeds minimum energy code	0	1	5
Electric-Preferred Pathway: Only mixed fuel buildings exceed minimum energy code	1	3	2
Electric Only: All new construction is electric only	4	1	2
Electric Only Plus Efficiency: All new construction is electric only and exceeds minimum energy code	3	4	0

2. Additional Comments

No additional comments.



Poll #6: Phased Approach

1. In the event of a phased approach for reach codes, please rank your priority of requirement categories that the City should prioritize.

6 Participants	No Priority	Lowest Priority	Top Priority
Residential (Single-family, ADUs)	0	2	4
Residential (Multi-family)	0	3	3
Commercial	0	2	4

2. Additional Comments

No additional comments.

Phased Approach
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
Residential (Single-family, ADUs)
Residential (Multi-family)
Commercial
No Priority
Lowest Priority
Top Priority

Poll #7: Incentives

1. If the City or utility were to provide incentives, what type of incentives do you feel will be most valuable to achieve those goals?

Participants	6	
Grants and/or rebates for property owners	5/6 participants	83%
Cash incentives for installation contractors	2/6 participants	33%
Expedited plan review	2/6 participants	33%
I need more information to respond.	0/6 participants	0%

2. Additional Comments

- Right now the city plan review is reasonable, but expediated review may be a value in the future.
- Liberty does currently offer incentives for commercial customers, both new construction and retrofits. On the residential side, Liberty also has a weatherization and appliance upgrade program (statewide run) for income qualified residential customers - this would be for existing however.

Poll #8: Other Considerations

1.Based on your industry knowledge and /or expertise is there anything else that the City should be considering related to impacts of buildings on GHG emissions and energy usage?

- Make sure that energy costs are monitored since electric companies have been increasing like crazy lately for heating and cooling.
- Incentives or support for retrofitting energy saving measures for existing homes.

END OF DOCUMENT

Reach Code Community Meeting #1 Poll Results and Comments

South Lake Tahoe

Poll Conducted: 6 /01/23

Poll #1: Other Educational Topics

1.Which topics do you feel our community could benefit from with additional education?

Participants	5	
Building electrification	5 votes	100%
Heat pump technology (i.e., space heating and cooling, hot water, dryers)	3 votes	60%
Solar PV and Energy Storage Systems (ESS)	2 votes	40%
Induction cooking for commercial applications	1 votes	20%
Induction cooking for residential applications	2 votes	40%

2. Additional Comments

- Weatherization / envelope, backup sources during outages, EV home power backup.

Poll #2: Other Building Systems

1. Which building systems should be priority for the City to address with respect to GHG reduction and energy efficiency?

Participants	5	
Appliances	1 votes	20%
HVAC Systems (Space heating and cooling)	4 votes	80%
Hot water systems	2 votes	40%
Solar PV and Energy Storage Systems (ESS)	2 votes	40%
Insulation / Weatherization	4 votes	80%
Electric Vehicle Charing Infrastructure	3 votes	60%

2. Additional Comments

- Lighting.

Poll #3: All-electric Buildings

1. If City Council were to consider requiring all-electric new construction for new residential and commercial buildings what information should be included in those decisions?

Participants	5	
Economic impacts of requirements	3 votes	60%
Cost effectiveness of requirements	3 votes	60%
Effect of requirements on meeting City GHG and energy efficiency goals	3 votes	60%
Options for backup power and back up heat sources	3 votes	60%
Power outages and grid reliability	3 votes	60%
I need more information to respond.	0 votes	0%

2. Additional Comments

- Economic impacts of requirements for community
- Cost effectiveness of requirements for owners
- Grid capacity
- Does it help reach CAP goals? Is this a top policy to reach CAP goals? Spend time on actions that make the largest impact.

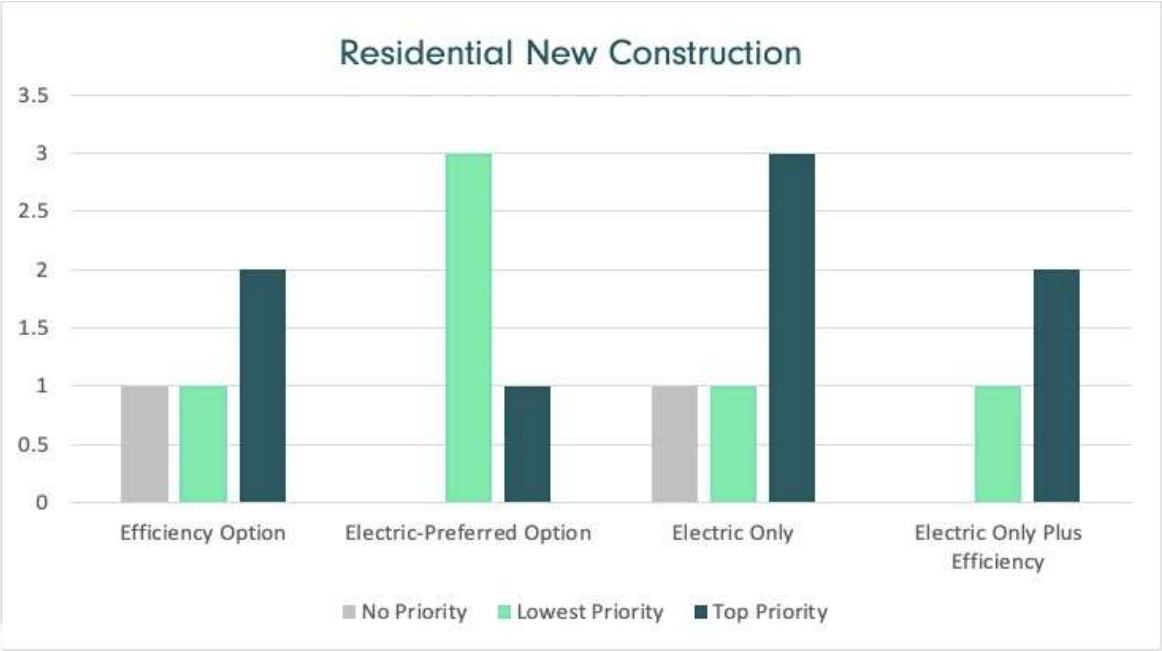
Poll #4: Residential New Construction

1. For new residential construction, please rank the reach code policy option the City should prioritize.

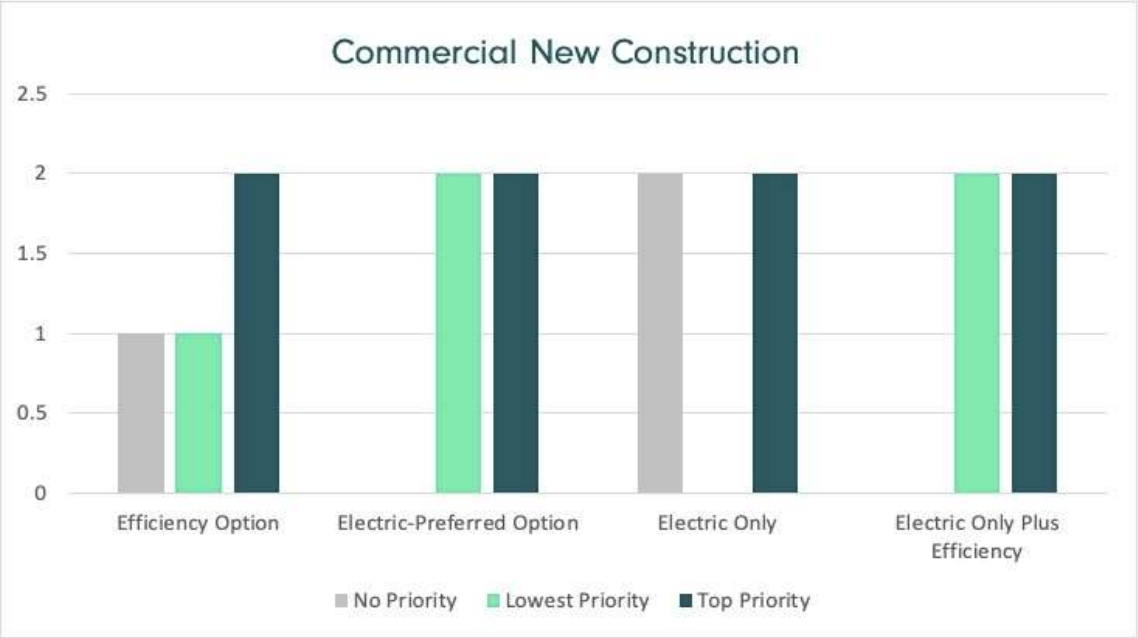
5 Participants	No Priority	Lowest Priority	Top Priority
Efficiency Option: All new construction exceeds minimum energy code	1	1	2
Electric-Preferred Option: Only mixed fuel buildings exceed minimum energy code		3	1
Electric Only: All new construction is electric only	1	1	3
Electric Only Plus Efficiency: All new construction is electric only and exceeds minimum energy code		1	2

2. Additional Comments

- Efficiency first!

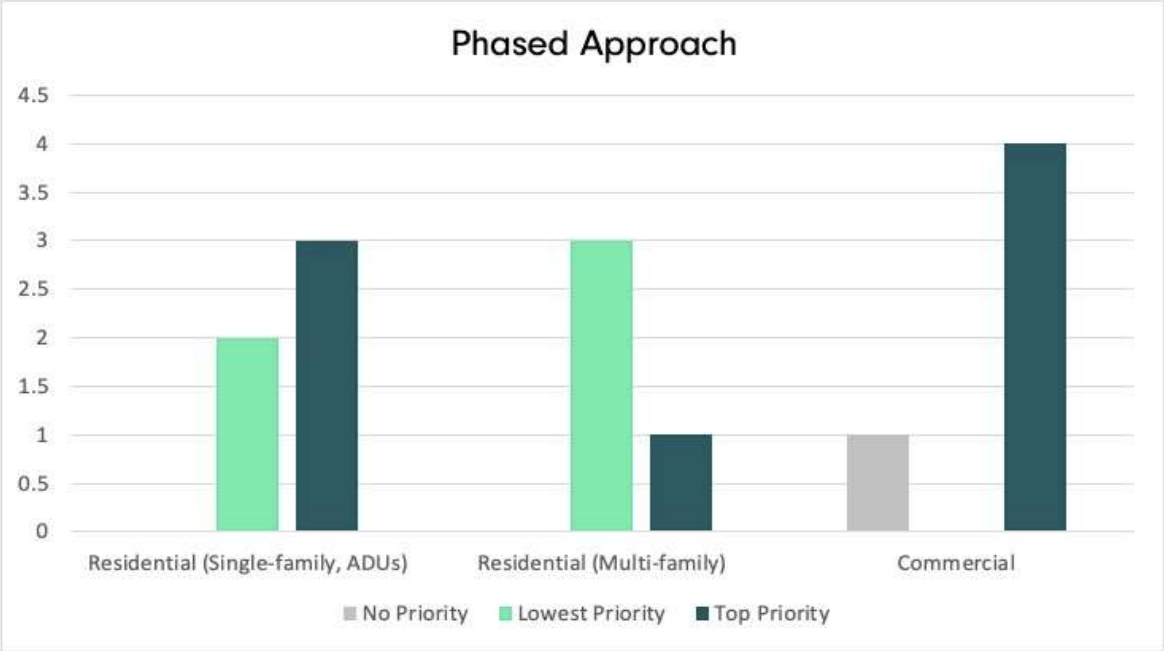


Poll #5: Commercial New Construction			
1. For new commercial construction, please rank the reach code policy option the City should prioritize.			
4 Participants	No Priority	Lowest Priority	Top Priority
Efficiency Option: All new construction exceeds minimum energy code	1	1	2
Electric-Preferred Option: Only mixed fuel buildings exceed minimum energy code		2	2
Electric Only: All new construction is electric only	2	0	2
Electric Only Plus Efficiency: All new construction is electric only and exceeds minimum energy code	0	2	2
2. Additional Comments			
- Efficiency first!			



Poll #6: Phased Approach

1. In the event of a phased approach for reach codes, please rank your priority of requirement categories that the City should prioritize.			
2 Participants	No Priority	Lowest Priority	Top Priority
Residential (Single-family, ADUs)	0	2	3
Residential (Multi-family)	0	3	1
Commercial	1	0	4
2. Additional Comments			
No additional comments.			



Poll #7: Incentives		
1. If the City or utility were to provide incentives, what type of incentives do you feel will be most valuable to achieve those goals?		
Participants	5	
Grants and/or rebates for property owners	5 votes	100%
Cash incentives for installation contractors	1 votes	20%
Expedited plan review	2 votes	40%
I need more information to respond.	0 votes	0%
2. Additional Comments		
- Upstream/midstream rebates are almost always more effective than downstream.		

Poll #8: Other Considerations
1.Based on your industry knowledge and /or expertise is there anything else that the City should be considering related to impacts of buildings on GHG emissions and energy usage?
- This reach code initiative is fantastic. New buildings will last for decades and we need to be planning now for the long term future. At some point, however, we will reach diminishing returns and each marginal dollar spent on making new construction better might not be as effective as it would be spent updating old leaky buildings. But these dollars would be spent by different people, so I get that it is tricky! - It seems to me like the ultimate long-term way to reduce overall building energy use would be to replace old wasteful buildings with new code-compliant ones, and I'd like to see the City consider the effects of these regulations on the incentives that homeowners face when considering how long to make an old building work before replacing it with a new one. - Grid capacity for all-electric.

END OF DOCUMENT

REACH CODE ORDINANCE

City Council Study Session

City of South Lake Tahoe

DATE: August 8, 2023

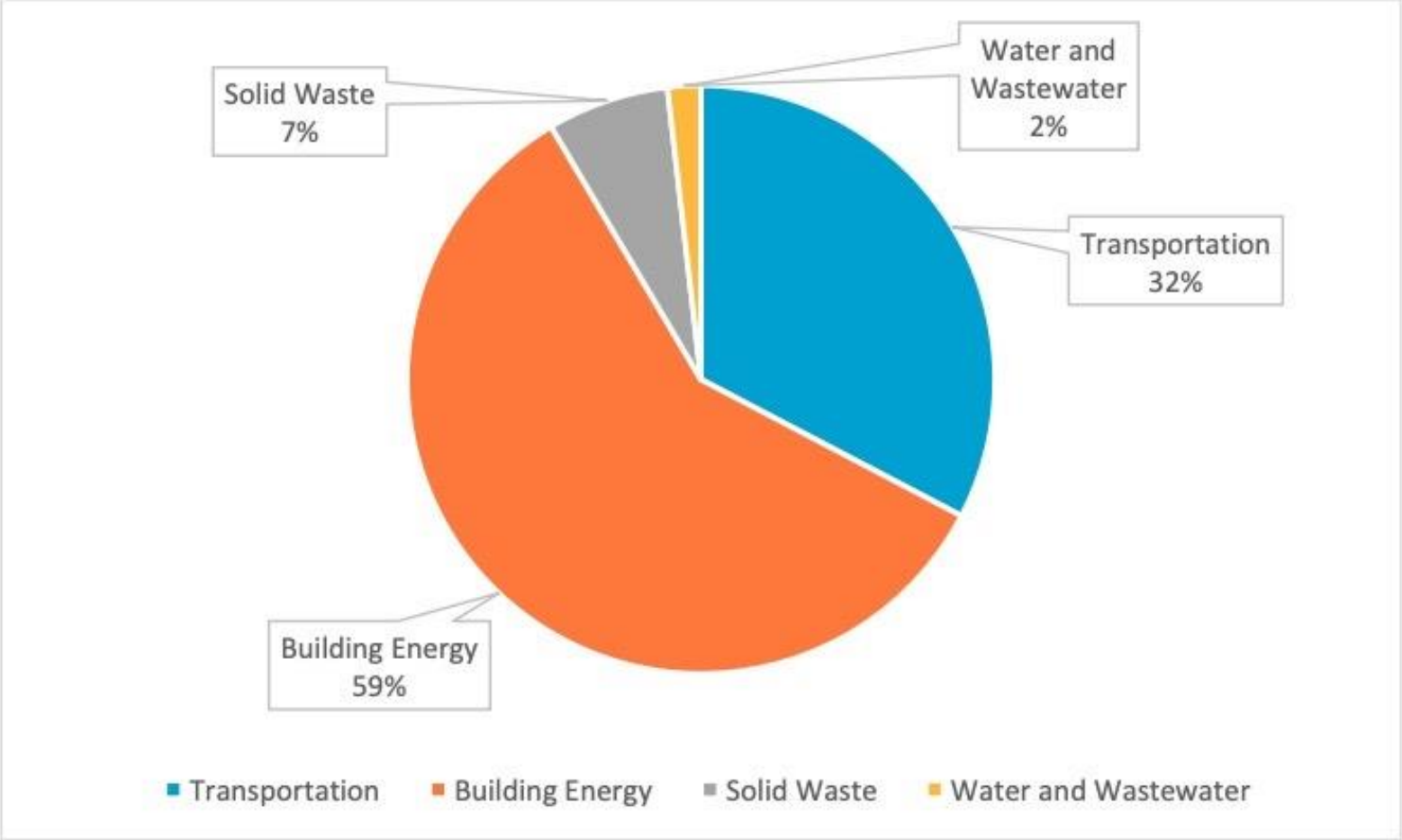
SPEAKERS: ID360 & City Staff

South Lake Tahoe and Climate Change

- The Tahoe Basin Region has experienced effects of climate change such as:
  - Variable winter snowpack
  - Warming lake temperatures
  - Frequent intense droughts
  - Severe wildfires
- City Council adopted the Climate Action Plan on October 20, 2020.

Climate Action Plan (CAP): Community-wide Emissions

2015 Baseline Community –wide Emissions



National & Statewide Context

Federal:

- Executive Orders calling for a “government-wide approach to climate change”.
- Congress passed the Inflation Reduction Act (IRA) providing rebates and tax credits for electrification and efficiency efforts.

State:

- Multiple executive orders and legislation setting goals and standards for emissions reductions and carbon neutrality.
- California Public Utilities Commission (CPUC) eliminated subsidies for gas line hookups to new buildings.
- California Air Resources Board (CARB) is set to ban the sale of new gas furnaces and water heaters by 2030.

Energy Reach Codes

What is a Reach Code?

- Statewide Code updated every three years.
- Local code that “reaches” beyond baseline state requirements.
- Based on statewide cost-effectiveness studies.
- Cannot go above federal standards for appliance efficiency.

Why Reach Codes?

- Supports local governments climate policy goals.
- Energy savings.
- Greenhouse gas emission reductions.
- Encourages high-performance buildings.
- Advances decarbonization efforts, especially when clean energy is available.

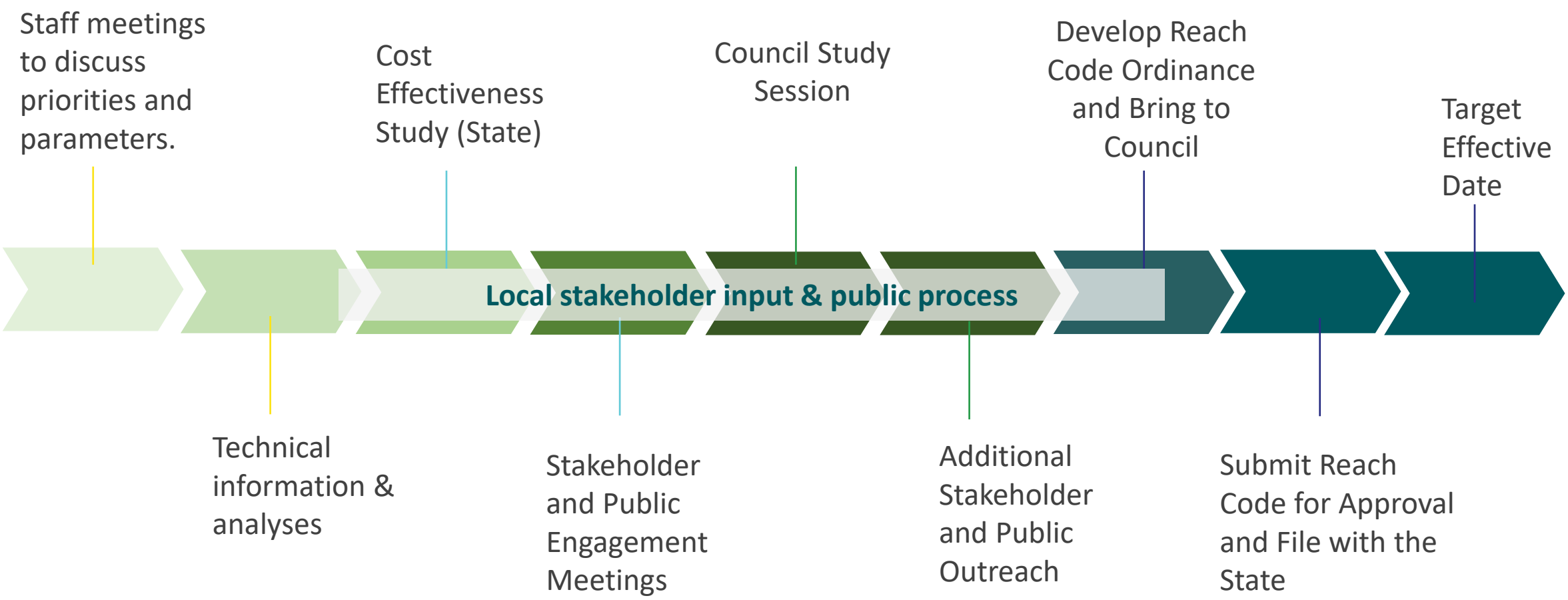
Adoption Trends

- **70+ California Jurisdictions** (as of 3/20/23)
- Variety of policy approaches to reach codes:
  - All-Electric Only Whole Building
  - All-Electric Only Specific Systems
  - Electric-Preferred
  - Efficiency Reach Codes

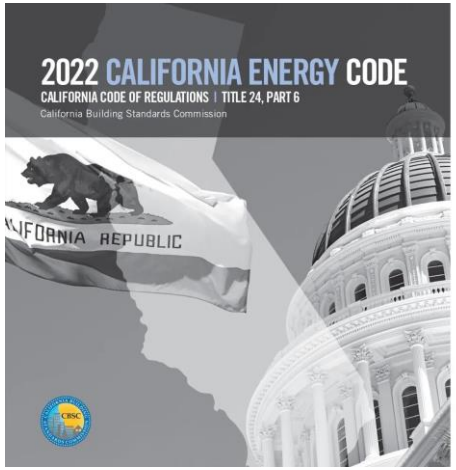
Other cold climates

- Aspen, CO: Efficiency performance benchmarking in MF, and commercial.
- State of Oregon: Flexible prescriptive requirements, similar to the electric-preferred approach for residential and commercial buildings.
- State of Vermont: Performance requirements for SF, MF, and commercial new constructions and retrofits to existing buildings.
- Truckee, CA: Staff is currently exploring building and EV reach codes for new and existing buildings.
- Crested Butte, CO: All-Electric requirements and All-Electric Readiness in SF, MF, and commercial.
- Beacon, NY: All Electric requirements for SF, MF, and commercial new constructions and remodels.

Reach Code Process: Development to Implementation



2022 CA Energy Code



Residential

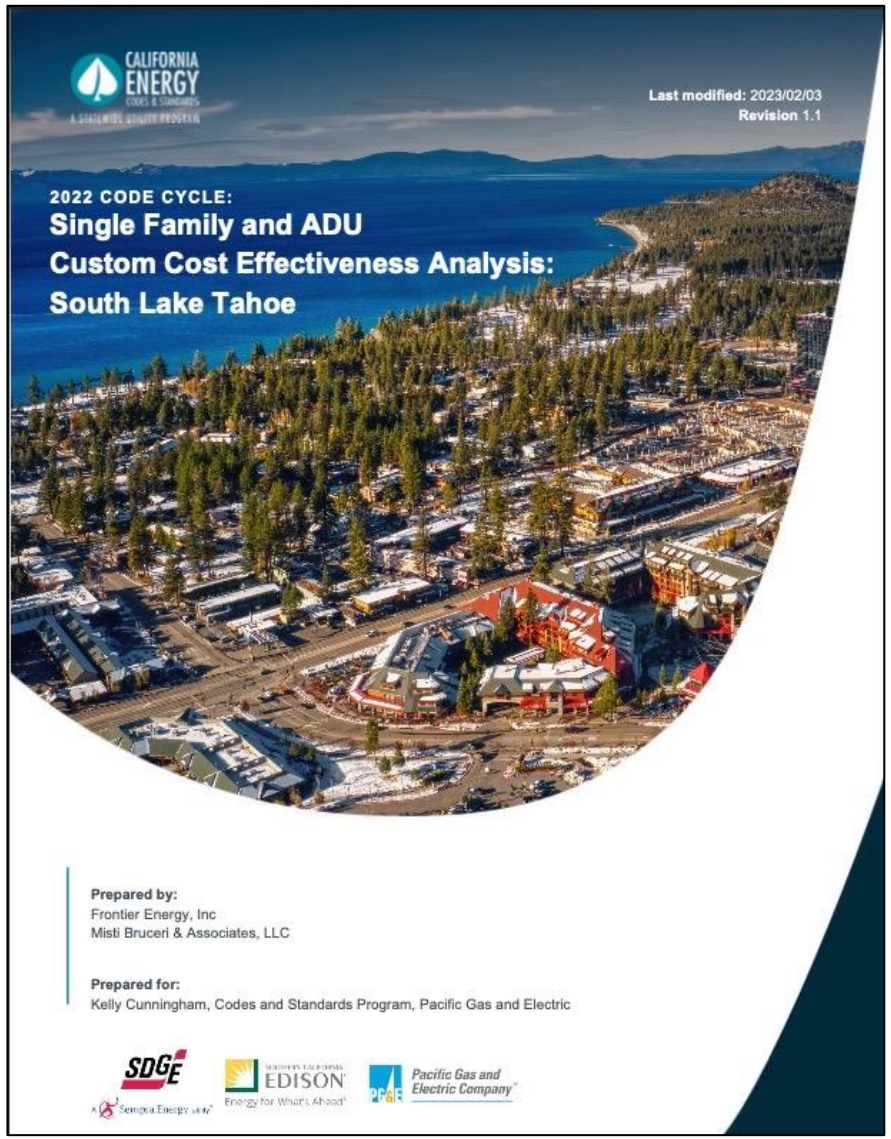
- Heat pumps = prescriptive baseline
  - Residential: space heating or water heating
  - Performance credit for all-electric design
- Pre-wiring required for gas appliances- “electric readiness”
- Higher ventilation rate for gas stoves
- Energy storage systems (ESS) ready
- Solar PV installation requirements

Nonresidential

- Heat pumps = prescriptive baseline
  - Nonresidential: water and/or space heating for most building types
  - Performance credit for all-electric design
- Solar PV prescriptive
  - Requirements based on building type
- Battery Storage system prescriptive
  - Requirements based on building type

C/E Study Overview

- C/E Study required for local amendments to California Energy Code
  - Not required for All-Electric only amendment
- Two metrics/methodologies
  - “On-bill” (individual consumer, utility rates)
  - ”Time Dependent Valuation” (code, societal)
- City determines C/E metric to use
- Cannot preempt Federal appliance standards
- Measures assembled into packages



Energy Reach Code Options

1. **Efficiency** ★

   All new construction (electric & mixed-fuel) exceeds minimum energy code.

2. **Electric Preferred** ★

   Only new mixed-fuel buildings have increased requirements.

3. **All-Electric or Electric Only (with limited exceptions)**

   Appliances must be electric with some limited exceptions for gas end uses.

4. **Electric Only Plus Efficiency**

   All-electric buildings plus increased efficiency.

Potential Reach Code Exemptions

- Emergency backup power
- Public swimming pools and spas
- Water heating, cooking or space heating for attached ADU and JADUs
- Fireplaces (indoor/outdoor)
- Outdoor equipment (BBQs)
- Commercial cooking equipment
- Specialized equipment for industrial processes, laboratories, medical uses
- Technical infeasibility

When combustion equipment is allowed, require electric ready.

Stakeholder Feedback

1. Prioritize education topics for the community (heat pump technology, general electrification).
2. Prioritize insulation/weatherization and HVAC as building systems to focus on reducing GHG emissions and increasing efficiency.
3. Economic impacts, cost-effectiveness, power outages, and options for backup power and backup heat are concerns.
4. “Efficiency” option received highest overall rank in priority for both residential and commercial new construction.
5. No clear priority for building occupancies in a phased approach to reach codes.

Community Feedback

1. Prioritize education including heat pump technology and general building electrification.
2. Prioritize insulation/weatherization and HVAC as building systems to focus on reducing GHG emissions and increasing efficiency.
3. The "Electric-only" option received the highest overall rank in priority for residential, followed by the "Efficiency" options.
4. Single-family, ADUs, and commercial construction were identified as priorities.

Reach Code Policy Considerations

- Building Types Impacted
  - New Residential Single-family and ADUs
  - New Multi-family
  - New Non-residential
- Incentives and Rebates
- Workforce Development
- Potential Exemptions for Specified Building Types
  - Commercial Kitchen
  - Laboratory/Medical/Industrial Processes
  - Backup Power/ Backup Heat Sources
  - Detached ADU/JADU
  - Fireplaces
  - Swimming Pool/Spas

When combustion equipment is allowed, require electric ready.

Recommendations

1. Staff is requesting that the Council confirm or provide direction on the following components of the reach code development.

2. **Applicable Building Types:** Single-family Residential (including condominiums), Accessory Dwelling Units, Multi-family Residential, Commercial (retail, office, restaurant, or hotel occupancies).

3. **Reach Code Options:** Electric Preferred, Efficiency (all-electric and mixed-fuel)

4. **Exemptions:** Gas-powered backup generators, commercial kitchen stoves, gas/wood fireplaces, swimming pool/spas, etc.

5. **Educational Program:** Direct staff to develop a complimentary educational program.

THANK YOU.

SUPPLEMENTAL SLIDES

Single Family Cost Effectiveness Summary

Package	Incremental Cost		Utility Savings		TDV NPV	On Bill NPV	GHG Reductions (metric tons)
	First Year	Lifecycle	First Year	Lifecycle			
All-Electric Efficiency Only	($1,943)	($1,479)	$124	$8,705	$3,675	$10,184	1.6
All Electric Code Minimum	($3,257)	($2,954)	$79	$7,647	$3,139	$10,602	1.5
All Electric Efficiency + PV	$6,678	$10,591	$1,040	$31,366	$8,489	$20,775	1.8
All Electric Efficiency + PV + Battery	$12,124	$22,078	$1,018	$30,845	$11,834	$8,768	2.3
Mixed Fuel Efficiency Only	$3,344	$3,755	$191	$6,159	$4,123	$ 2,404	0.7
Mixed Fuel Efficiency + PV	$5,756	$6,981	$438	$12,307	$5,419	$5,325	0.8
Mixed Fuel Efficiency + PV + Battery	$10,780	$18,007	$416	$11,701	($6,307)	$8,024	1.2

ADU Cost Effectiveness Summary

Package	Incremental Cost		Utility Savings		TDV NPV	On Bill NPV	GHG Reductions (metric tons)
	First Year	Lifecycle	First Year	Lifecycle			
All-Electric Efficiency Only	($3,065)	($1,665)	$46	$3,251	$1,204	$4,916	0.5
All Electric Code Minimum	($2,798)	($2,509)	($2)	$2,103	$250	$4,611	0.4
All Electric Efficiency + PV	$5,625	$9,957	$813	$21,418	$6,656	$11,461	0.7
All Electric Efficiency + PV + Battery	$11,138	$21,533	$807	$21,275	$7,776	($258)	1.0
Mixed Fuel Efficiency Only	$352	$1,539	$84	$3,396	$280	$1,857	0.4
Mixed Fuel + PV	$7,565	$11,185	$720	$18,474	$4,733	$7,289	0.5
Mixed Fuel + PV + Battery	$13,076	$22,759	$718	$18,411	$5,165	($4,348)	0.8

Commercial Cost Effectiveness Summary

Building Type	Package	Upfront Incremental Package Cost	Lifecycle Energy Cost Savings	TDV NPV	On Bill NPV	GHG Reductions (metric tons)
Medium Office	Mixed Fuel + Efficiency Measures	$0	$17,085	$16,744	$17,085	0.4
Medium Retail	All-Electric Energy Efficiency	$0	$6,818	$8,547	$6,818	0.6
Quick Service Restaurant	All-Electric Energy Efficiency and Load Flexibility (w/ gas cooking)	$51,155	$69,323	Not C/E	$18,168	20.0
Small Hotel	Mixed Fuel + Efficiency Measures	$21,214	$123,752	$94,804	$102,538	18.4

Single Family / ADU Efficiency Measures

Measure	Performance level	Incremental Cost: SF	Incremental Cost: ADU
Reduced Infiltration	3.0 vs 5.0 ACH50	$591	$362
Window U-factor	0.24 vs 0.30	$2280	$285
Window SHGC	0.50 vs 0.35	$0	$0
Cool Roof	0.25 vs 0.20 aged solar reflectance	$219	$53
Attic Insulation	R-49 vs R-30	$872	NA
	R-60 vs R-30	$1420	NA
	R-60 vs R-38	$1096	NA
Slab Edge Insulation	R-10 vs R-0	$651	$449
Low Pressure Drop Ducts	0.35 vs 0.45 W/cfm	$99	$49
Buried Ducts	Buried, radical design	$281	NA
Duct Insulation	R-8 vs R-6	$201	NA
Ductless Mini-Split Heat Pump	Ductless system meeting the VCHP credit vs. ducted split heat pump	NA	$1,571
Compact hot Water Distribution	Basic – gas tankless	$196	$0
	Basic- HPWH	$-134	$0

Nonresidential Efficiency Measures

Measure	Baseline T24 Requirement	Proposed Measure	Included Building Types	Incremental cost
Cool Roof	Low slope roof: ASR = 0.63 TE = 0.75	Low slope roof: ASR = 0.7, TE = 0.85	Med. Office	$0.04/ft^2
Eff. Vert. Fenestration	U-factor = 0.36 SHGC = 0.25	U-factor = 0.34 SHGC = 0.22	M. Office, M. Retail, S. Hotel (Guestrooms), S. Hotel (Nonres.)	$1.75/ft^2
Vert. Fenestration by Orientation	40% window-to-wall ratio in each orientation per Title 24 Table 140.3-B.	Redistribute window areas by orientation	Med. Office	$0
Water eff. Fixtures in Kitchen	Kitchen faucet max flow rate is 1.8 GPM (Title 20)	Kitchen faucet flow rate is 1 GPM	Quick Service Restaurant	H. Eff Door/Dishwasher $7633/unit Faucet aerator $8/unit
Ozone Wash. Machine	Not required	Reduced hot water use	Small Hotel (Nonresidential)	$25469/unit

Nonresidential Efficiency Measures cont.

Measure	Baseline T24 Requirement	Proposed Measure	Included Building Types	Incremental cost
Eff. Hot Water Distribution	Apx. A Pipe size Std. 1.5” insulation	Apx. M pipe Size 2” insulation	Small hotel	$5819
DCV & Transfer Air	DCV required in kitchen for exhaust air rate > 5000 cfm	DCV for all exhaust fans	QS Restaurant	$8500
Guest rm. Ventilation, & Fan Power	occupancy sensing zone controls, ventilation fan power not required.	Updated fan power and HVAC schedules	S. Hotel (Guestrooms)	$0
Variable Speed Fans	Variable speed required if cooling capacity > 65,000 Btu/h	Variable speed control for smaller capacity systems	M. Retail, QS Restaurant	$6390/unit
Interior Lighting Reduced LPD	Per Area Category Method, varies by Primary Function Area.	Top 20% of market products	M. Office, M. Retail, QS Restaurant, S. Hotel (Nonresidential)	$0

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: August 8, 2023
Agenda Item #: 20

Agenda Item: Agenda Planning Calendar

Executive Summary: The Agenda Planning Calendar is a projection of items coming before City Counci, for consideration.

Requested Action / Suggested Motions: A Councilmember may request that an item be placed on a future agenda. Upon the support of one (1) additional Council Member, direction shall be given to the City Manager to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made, and/or modify the Agenda Planning Calendar as desired.

Responsible Staff Member: Joseph Irvin, City Manager

Reviewed and Approved By: Susan Blankenship, City Clerk

Attachments:

APC - 08 02 2023.pdf

2023 Agenda Planning Calendar (Updated 08 02 2023)

Department		Agenda Item	Agenda Section
Aug 22, 9:00 a.m.	**Budget Workshop**		
	City Attny	Franchise Agreement with South Tahoe Refuse	
	Public Works	Award of Ski Run Park ADA	Consent
		Award Lakeview/Harrison ADA Upgrade Contract	Consent
Sep 12, 9 a.m.	**City Attorney**	Local Hire Ordinance (First Reading)	UB
	Dev Services	Pro-Housing Designation	NB
		Commercial Linkage	Consent
		4139 Lake Tahoe Blvd (Chateau) update	NB
		Waiting list for Housing Needs	NB
	Finance	Quarterly Budget and Financial Status Report June 2023	
		Fiscal Year 2023-20224 Investment Policy and Authority	
		Investment Portfolio Report June 30, 2023	
		Revised Recognized Obligation Payment Schedule (ROPS) FY 2023-2024	
	Police	Opioid Settlement Barton Agreement	NB
	Public Works	Financing Options for Snow Operations (Service Area 3 Parcel Tax)	NB

2023 Agenda Planning Calendar (Updated 08 02 2023)

		Award PD Roof Upgrade PSA	Consent
		Snow removal from City Sidewalks	NB
Sep 26, 5:30 p.m.	**City Manager**	Via cost analysis of municipal fixed-route and microtransit service	NB
		Charter City Discussion	NB
		Energy Services Contract	NB
		Comprehensive Energy Services Contract	
	Dev Services	Employee Housing Bill of Rights	NB
		Local Housing/Transit Funding Analysis:TOT	UB
	Finance	2023 Lease Revenue Bonds Post Sale Budget Appropriations True-up	
	Public Works	Hwy 50/89 Concrete/Pavement Option	NB
		New Fire Station 3 Feasability Analysis/Interim Fire Station 3 Upgrades	UB
		Broadband PPP Contract	UB
Oct 17, 5:30 p.m.	**City Attny**	ADA Transition Plan update	NB
	City Manager	TRPA Regional Grant Program (EV Charging/Pioneer Project)	
	Dev Services	Area Plan Updates	NB
		PLHA Formula Grant Amendment	NB

2023 Agenda Planning Calendar (Updated 08 02 2023)

		Mid-Town Area Plan Technical Consultant PSA	UB
		3900/3908 Lake Tahoe Blvd DDA	UB
	Finance	Fiscal Year 2022-2023 Budgeted Funds Re-Appropriation	
Nov 7, 9 a.m.	**Dev Services**	Inventory of vacant/underutilized sites	NB
Nov 21, 5:30 p.m.	**Dev Services**	REACH Code Adoption	NB
		MFD/SRO Program Evaluation	
Dec 12, 5:30 p.m.			
Unscheduled/Pending			
	City Attorney		
	City Clerk	Records Management Policy (Updated)	
	City Manager	Minimum Wage Discussion	
		Electric Vehicle Charging Contract	
		Electric Municipality - Feasability Analysis	
		SEED Solar Photovoltaic Project PPA	
	Dev Services	Plan Area Statement Update for Tourist Accommodation Uses	
		City/CTC land exchange agreement	

2023 Agenda Planning Calendar (Updated 08 02 2023)

	VHR TAU Requirement Discussion
Finance	
Fire	Weed abatement/nusance Program - Defensable Space Policy
	Type III Fire Engine Purchase
Parks & Rec	Parks Foundation MOU
	Amendment 1 to Bijou Bike Park Association Maintenance Agreement
	Tahoe Swim Team Use Agreement
	Bijou Golf Course "Rock the Lake" Event and Review