



MEMORANDUM


Date: January 14, 2014

To: Bryan H. Montgomery, Executive Director

From: Paul Abelson, Finance Director

Subject: Adopt a Resolution Appointing the 2006 Revenue Bond Refunding Team and Authorizing the Placement Agent to Seek Terms from Banks in the Private Placement Market.

Approved and Forwarded to the Oakley Public Financing Authority Board of Directors


Bryan H. Montgomery, Executive Director

Summary and Recommendation

In response to continued low interest rates, and the likelihood they might rise in the coming year, Staff has been working with the City's financial advisors to evaluate whether an opportunity exists to "refinance" the Agency's 2006 Revenue Bonds and generate savings eligible for capital projects. The Team has determined that while interest rates in the public markets are not low enough to justify a refunding on interest savings alone, the private placement marketplace has become more competitive and has recently provided terms for smaller issuances that when combined with interest rate savings, have made some refinancing transactions financially feasible.

Attached is a resolution that 1) officially appoints the refunding Team, 2) authorizes the City Manager to execute necessary contracts to hire the advisors for a refunding of the 2006 Revenue Bonds, and 3) authorizes the Placement Agency (RBC Capital) to reach out to banks in the private placement market, and seek terms that are most advantageous and result in the greatest savings. All related compensation is contingent on the issuance of the refunding bonds and paid from bond proceeds, if and when refunding bonds are issued. The refunding Team is comprised of PFM, Orrick Herrington & Sutcliffe (OHS), RBC Capital Markets, Wells Fargo Corporate Trust, and NBS Financial.

- The City's Financial Advisor is PFM. Their fee for this transaction would be \$28,000. This reflects the fact that the transaction contemplated is a refunding and that the Team is largely in place. It is substantially less than the fee for an original issuance, or a transaction for which numerous Requests for Proposals (RFPs) would be administered.

Subject: Adopt Resolution Appointing the 2006 Revenue Bond Refunding Team and Authorizing the Placement Agent to Seek Terms from Banks in the Private Placement Market.

Date: January 14, 2014

- Staff recommends OHS be engaged for this transaction at a total cost of \$52,500, assuming it is completed as contemplated. Should the transaction structure be changed materially, or the process become protracted and not close by June 1, 2014, OHS's fee would increase to \$67,500. OHS has served as bond counsel for the City and Agency on many transactions, including the original 2006 Bonds.
- NBS served as the City's assessment administrator and disclosure agent on the 2006 AD Bonds and Revenue Bonds, respectfully, and staff recommends they continue to serve as the Assessment Administrator on the anticipated 2014 Refunding Bonds (because these are private placement bonds, there is no longer a need for a dissemination agent). For the 2014 transaction work, they will provide bond analysis and reporting services. NBS would charge time and materials for the transaction, but not to exceed \$1,500. There is no change in the annual fees to act as the assessment administrator.
- Wells Fargo Corporate Trust has served as the City's Trustee for all of the City's bonds. The prices charged are extremely competitive and the service excellent. There is no additional cost ongoing cost for their continuing to serve in this capacity for the contemplated 2014 Bonds, as they are already Trustee for the 2006 Bonds. There is a \$2,000 transaction cost for the Trustee, plus other expenses if we ask them to perform additional tasks. The proposed annual trust services costs are the same as for the existing bonds being replaced.
- RBC Capital Markets was the Underwriter and Cash Flow Consultant for the 2006 Bonds and has recently completed private placement financings for several other agencies that were similarly positioned like Oakley to benefit from a refunding. They would act as a Placement Agent for this transaction, negotiating with the banks on the structuring and terms of the bonds and then selling the bonds to give the Agency the best outcome. The fee RBC would charge for the transaction is \$50,000. Staff also recommends they continue to serve as Cash Flow Consultant. The Cash Flow Consultant calculates/verifies on any prepayment, the proper amount of reserves that can be applied the prepayment as a credit to the property owner, without jeopardizing the ability of the Authority to make debt service payments or provide for a fully funded reserve. There is no additional cost for their continuing in this capacity.

Staff recommends approval of the attached resolution, authorizing the City Manager to execute the contracts for each member for the team, and authorizing the Placement Agent to begin packaging a proposal and soliciting terms from banks in the private placement market.

The action tonight is the first of two steps in the process. We will return with the results of the terms proposed by the banks, if/when we return to request authorization to issue bonds.

Subject: Adopt Resolution Appointing the 2006 Revenue Bond Refunding Team and Authorizing the Placement Agent to Seek Terms from Banks in the Private Placement Market.

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Fiscal Impact

There are no contract costs incurred at this time. All payments are contingent on the issuance of the refunding bonds and paid from bond proceeds, if/when issued.

Conclusion

Staff recommends the Board adopt the attached resolution to 1) appoint the aforementioned refunding Team 2) authorize the City Manager to execute the necessary documents to hire them on behalf of the Authority; and 3) to authorize the Placement Agent to package a proposal and solicit terms from banks in the private placement market.

Attachments

1. Resolution
2. Proposals

RESOLUTION NO. _____

**RESOLUTION APPOINTING PLACEMENT AGENT,
BOND COUNSEL AND FINANCIAL ADVISOR IN
CONNECTION WITH THE REFUNDING OF THE OAKLEY
PUBLIC FINANCING AUTHORITY INFRASTRUCTURE
REVENUE BONDS, SERIES 2006**

WHEREAS, the Oakley Public Financing Authority (the “Authority”) has determined to undertake certain proceedings toward the refunding of its \$11,460,000 Oakley Public Financing Authority Infrastructure Revenue Bonds, Series 2006 (the “Prior Bonds”); and

WHEREAS, the Authority now desires to appoint the members of the financing team to enable the Authority to pursue said refunding;

NOW, THEREFORE, be it resolved by the Governing Board of the Oakley Public Financing Authority as follows:

Section 1. The foregoing recitals are true and correct, and the Board so finds and determines.

Section 2. The Authority hereby determines to undertake proceedings for the refunding of the Prior Bonds and hereby directs the Executive Director, and all other officers and employees of the Authority to prepare or cause to be prepared proceedings to accomplish same and to submit same to the Authority for consideration at the earliest practical opportunity.

Section 3. The firm of RBC Capital Markets LLC is hereby appointed Placement Agent (the “Placement Agent”) for said financing in accordance with that certain agreement by and between the Authority and the Placement Agent on file with the Secretary and presented to this meeting (the “Placement Agent Agreement”). The Executive Director or designee thereof is hereby authorized and directed to execute and deliver the Placement Agent Agreement. The Placement Agent is hereby authorized to solicit proposals, letters of intent or term sheets from one or more banks or other financial institutions to purchase the bonds

Section 4. The firm of Orrick, Herrington & Sutcliffe LLP is hereby appointed Bond Counsel (the “Bond Counsel”) for said financing in accordance with that certain agreement by and between the Authority and the Bond Counsel on file with the Secretary and presented to this meeting (the “Legal Agreement”). The Executive Director or designee thereof is hereby authorized and directed to execute and deliver the Legal Agreement.

Section 5. The firm of Public Financial Management, inc. is hereby appointed Financial Advisor (the “Financial Advisor”) for said financing in accordance with that certain agreement by and between the Authority and the Financial Advisor on file with the Secretary and presented to this meeting (the “Financial Advisor Agreement”). The Executive Director or designee

thereof is hereby authorized and directed to execute and deliver the Financial Advisor Agreement. The Financial Advisor is authorized to work with the Placement Agent in reviewing proposals, letters of intent or term sheets obtained by the Placement Agent in connection with the Bonds for the purpose of advising City staff concerning such proposals.

Section 6. The firm of NBS is hereby appointed assessment administrator (the "Administrator") for said financing in accordance with that certain agreement by and between the Authority and the Administrator on file with the Secretary and presented to this meeting (the "Administrator Agreement"). The Executive Director or designee thereof is hereby authorized and directed to execute and deliver the Administrator Agreement.

Section 7. Welss Fargo Bank, N. A. is hereby appointed as trustee (the "Trustee") for said financing in accordance with that certain agreement by and between the Authority and the Trustee on file with the Secretary and presented to this meeting (the "Trustee Agreement"). The Executive Director or designee thereof is hereby authorized and directed to execute and deliver the Trustee Agreement.

Section 8. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 14th day of January, 2014 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT

APPROVED:

CHAIR

ATTEST:

SECRETARY

CLERK'S CERTIFICATE

I, Libby Vreonis, Secretary of the Oakley Public Financing Authority (the "Authority"), do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of the Authority duly and regularly held at the regular meeting place thereof on the 14th day of January, 2014, of which meeting all of the members of said Governing Board had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 204 Second Street, Oakley, California 94561, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: _____, 2014.

Secretary, Oakley Public Financing Authority

(SEAL)



The PFM Group

Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

Attachment 2

50 California Street
Suite 2300
San Francisco, CA 94111

415 982-5544
415 982-4513 fax
www.pfm.com

December 24, 2013

Paul Abelson
Finance Director
City of Oakley
3231 Main Street
Oakley, CA 94561

RE: 2006 BOND REFUNDING

Dear Paul,

Public Financial Management (PFM) appreciates the opportunity to work with the City of Oakley on the refunding of its 2006 bonds. As proposed by RBC, this refunding would utilize a private placement and an expedited process to bring the transaction to market relatively quickly. We have already provided analysis to the City with respect to the sensitivity of the proposal to interest rate changes and relative to costs of issuance. PFM's role in this transaction would include ongoing analysis of RBC's placement process, analysis of changes in interest rates, analysis of the terms from loan providers, review of all documents, and review of staff reports and presentations to the City Council. We would act as the sole fiduciary advisor to the City on all of these matters, and would strive to protect the City's financial interests at every step. PFM's role as an independent advisor is particularly important in a private placement process where there is less reliance on the market for determining appropriate terms and conditions. Therefore, we would bring as much rigor as possible to the setting of those terms based on our broad experience in private placements.

Assuming that the expedited process is successfully executed, we are comfortable proposing a relatively low fee for this work because of the relatively short time frame. Our suggested fee is \$28,000, inclusive of all out of pocket costs. If the expedited process is not successfully, and the timeframe of the work is extended, we believe it is reasonable to consider a higher, more typical fee for the transaction. Rather than propose a number for this scenario at this point, we are comfortable proceeding with the City's willingness to consider a different fee for an extended timeframe.

The private placement market has expanded substantially over the past year, increasing the ability for public entities to take advantage of the willingness of banks to make these loans under varying terms. PFM has a broad base of experience in advising on these transactions, and can draw on this experience in supporting Oakley's objectives on this transaction. This market is inherently less transparent than the public market, and therefore PFM's base of experience can be very helpful in determining the reasonableness of proposed bank terms.

Again, PFM appreciates the opportunity to support the City's important objectives. We are of course happy to discuss our proposed fee and approach.

Sincerely,
Public Financial Management, Inc.

A handwritten signature in black ink, appearing to read "Robert J. Gamble".

Robert Gamble
Managing Director

AGREEMENT FOR BOND COUNSEL SERVICES

[Refunding of Oakley Public Financing Authority Revenue Bonds, Series 2006]

THIS AGREEMENT is entered into as of January 1, 2014, between the Oakley Public Financing Authority (the "Issuer") and ORRICK, HERRINGTON & SUTCLIFFE LLP ("Orrick"), as follows:

Recitals

1. Issuer desires to engage the services of bond and disclosure counsel in connection with a proposed issue of revenue refunding bonds (the "Bonds") in a principal amount of approximately \$11,000,000 for the purpose of refunding the Issuer's Revenue Bonds, Series 2006 (the "Prior Bonds"). The Bonds will be secured by the City of Oakley Limited Obligation Improvement Bonds issued for Assessment District No. 2006-1 (the "Local Obligations"), which are currently pledged as security for the Prior Bonds, and will be sold as a single series of fixed rate bonds without credit enhancement.

2. The Issuer expects to sell the Bonds in a single private placement transaction to a single bank or other financial institution (the "Purchaser") with the assistance of RBC Capital Markets, acting as Placement Agent (the "Placement Agent").

3. Orrick possesses the necessary professional capabilities and resources to provide the legal services required by Issuer as described in this Agreement.

Agreements

1. Scope of Services. Orrick shall perform the following legal services:

(a) Consultation with representatives of the Issuer and the City of Oakley (the "City"), including the City Engineer, City Attorney, the City's financing and accounting staff, Placement Agent, and others, with respect to the timing, terms and legal structure of the proposed Bonds.

(b) Assistance to the Issuer in negotiations with the Purchaser concerning the terms of the Bonds and the conditions for purchase thereof and the review of any purchase agreement or other documentation for purchase required by the Purchaser.

(c) Preparation of documents to be adopted or entered into by Issuer required for the authorization, sale and issuance of the Bonds, including preparation of the Bond Resolution, the Amended and Restated Trust Agreement and an Escrow Agreement (the "Major Legal Documents").

(d) Attendance at such meetings or hearings of the City Council and Issuer Board (collectively, the "Governing Board"), working group meetings or conference calls and rating agency presentations as Issuer may request, and assistance to Issuer staff in preparation of such explanations or presentations to the Governing Board

as they may request; provided, that Orrick understands that the transaction will be handled primarily through conference calls and e-mail communications, rather than in person meetings.

(e) Preparation of final closing papers to be executed by Issuer required to effect delivery of the Bonds (including the Tax Certificate or Agreement) and coordination of the Bond closing through Orrick's on-line closing system.

(f) Rendering of Orrick's customary final legal opinion on the validity of the Bonds and the tax-exempt status of interest thereon and Orrick's customary supplemental opinion to the Purchaser and Placement Agent concerning the exemption of the Bonds from the registration requirements of the Securities Act of 1933 and the exemption of the Amended and Restated Trust Agreement from the Trust indenture Act of 1939.

(g) Rendering of Orrick's customary defeasance opinion concerning the defeasance of the Prior Bonds, if required.

Orrick and Issuer acknowledge that Issuer has the City Attorney to render day-to-day and ongoing general counsel legal services. Orrick shall circulate documents to and coordinate its services with the City Attorney to the extent requested by Issuer or the City Attorney. Orrick shall be entitled to assume that the City Attorney has reviewed all documents and matters submitted to Governing Board for adoption or approval or to officers of Issuer for execution prior to such adoption, approval or execution.

In rendering opinions and performing legal services under this Agreement, Orrick shall be entitled to rely on the accuracy and completeness of information provided and certifications made by, and opinions provided by counsel to, Issuer and other parties, without independent investigation or verification.

Orrick services are limited to those specifically set forth above. Orrick services do not include representation of Issuer or any other party to the transaction in any litigation or other legal or administrative proceeding involving any of the Bonds, the assessment district or any related matter. Orrick services also do not include any responsibility for compliance with state blue sky, environmental, land use, real estate or similar laws or for title to or perfection of security interests in real or personal property. Orrick services do not include any financial advice or analysis. Orrick will not be responsible for the services performed or acts or omissions of any other participant. Also, Orrick services will not extend past the date of issuance of the Bonds and will not, for example, include services related to rebate compliance or continuing disclosure (although Orrick or its affiliate, BLX LLC, may be available for separate engagement to provide either or both such services pursuant to separate contract) or otherwise related to the Bonds, the Prior Bonds, Bond proceeds or the assessment district after issuance of the Bonds.

2. Compensation and Reimbursements.

(a) Compensation. For Bond Counsel Services, Orrick shall be paid a fixed fee equal to \$50,000; provided, that if the financing is not completed by June 1, 2014 and/or is materially changed from the structure described above, Orrick shall be

entitled to an increase in its fee to an amount not to exceed \$65,000. For expenses, including preparation and distribution of transcripts in paper and/or CD-ROM form, Orrick shall be paid a fixed amount of \$2,500. Said fixed payments shall be Orrick's total compensation for time and expenses incurred by Orrick in connection with this engagement; provided, that any filing, publication or printing costs required in connection with the Bonds shall be paid directly by Issuer, but if paid by the Orrick on behalf of Issuer, shall be reimbursed to Orrick on demand.

b. Payment. Fees and expenses shall be payable by Issuer upon issuance of the Bonds. Payment of all fees and expenses hereunder shall be made at closing from proceeds of the Bonds and shall be entirely contingent upon issuance of the Bonds.

3. Termination of Agreement and Legal Services. This Agreement and all legal services to be rendered under it may be terminated at any time by written notice from either party, with or without cause. In that event, all finished and unfinished documents prepared for adoption or execution by Issuer, shall, at the option of Issuer, become its property and shall be delivered to it or to any party it may designate; provided that Orrick shall have no liability whatsoever for any subsequent use of such documents. In the event of termination by Issuer, Orrick shall be paid for all satisfactory work, unless the termination is made for cause, in which event compensation, if any, shall be adjusted in the light of the particular facts and circumstances involved in the termination. If not sooner terminated as aforesaid, this Agreement and all legal services to be rendered under it shall terminate upon issuance of the Bonds; provided that Issuer shall remain liable for any unpaid compensation or reimbursement due under Section 2 hereof. Upon termination, Orrick shall have no future duty of any kind to or with respect to the Bonds or the Issuer.

4. Nature of Engagement; Relationships With Other Parties. The role of bond counsel, generally, is to prepare or review the procedures for issuance of the bonds, notes or other evidence of indebtedness and to provide an expert legal opinion with respect to the validity thereof and other subjects addressed by the opinion. Consistent with the historical origin and unique role of such counsel, and reliance thereon by the public finance market, Orrick's role as bond under this Agreement is to provide an opinion and related legal services that represent an objective judgment on the matters addressed rather than the partisan position of an advocate.

In performing its services as bond counsel in connection with the Bonds, Orrick will act as special counsel to Issuer with respect to issuance of the Bonds; i.e., Orrick will assist Issuer Counsel in representing Issuer but only with respect to validity of the Bonds and the Major Legal Documents and tax status of interest on the Bonds in a manner not inconsistent with the role of Orrick described in the first sentence of this section.

Issuer acknowledges that Orrick regularly performs legal services for many private and public entities in connection with a wide variety of matters. For example, Orrick has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, contractors, suppliers, financial and other consultants/advisors, accountants, investment providers/brokers, providers/brokers of derivative products and others who may have a role or interest in the Bond

financing or that may be involved with or adverse to Issuer in this or some other matter. Orrick agrees not to represent any such entity in connection with the Bond financing, during the term of this Agreement, without the consent of Issuer. Given the special, limited role of bond counsel described above, Issuer acknowledges that no conflict of interest exists or would exist, and waives any conflict of interest that might appear actually or potentially to exist, now or in the future, by virtue of this Agreement or any such other attorney-client relationship that Orrick may have had, have or enter into, and Issuer specifically consents to any and all such relationships.

5. Limitation of Rights to Parties; Successor and Assigns. Nothing in this Agreement or in any of the documents contemplated hereby, expressed or implied, is intended or shall be construed to give any person other than Issuer and Orrick any legal or equitable right or claim under or in respect of this Agreement, and this Agreement shall inure to the sole and exclusive benefit of Issuer and Orrick.

Orrick may not assign its obligations under this Agreement without written consent of Issuer except to a successor partnership or corporation to which all or substantially all of the assets and operations of Orrick are transferred. Issuer may assign its rights and obligations under this Agreement to (but only to) any other public entity that issues the Bonds (if not the Issuer). Issuer shall not otherwise assign its rights and obligations under this Agreement without written consent of Orrick. All references to Orrick and Issuer in this Agreement shall be deemed to refer to any such successor of Orrick and to any such assignee of Issuer and shall bind and inure to the benefit of such successor and assignee whether so expressed or not.

6. Counterparts. This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

7. Notices. Any and all notice pertaining to this Agreement shall be sent by U.S. Postal Service, first class, postage prepaid to Orrick at 405 Howard Street, San Francisco, CA 94111, Attention: John H. Knox, Esq. and to Issuer at City Hall, 3231 Main St., Oakley, CA 94561, Attention: Executive Director.

Issuer and Orrick have executed this Agreement by their duly authorized representatives as of the date provided above.

OAKLEY PUBLIC FINANCING AUTHORITY

By _____
Executive Director

ORRICK, HERRINGTON & SUTCLIFFE LLP

By _____
Partner



32605 Temecula Parkway, Suite 100
Temecula, CA 92592

Toll free: 800.676.7516

nbsgov.com

December 20, 2013

Mr. Paul Abelson
Finance Director
City of Oakley
3231 Main Street
Oakley, CA 94561

Subject: Addendum to Original Agreement to Provide Bond Issuance Analysis and Reporting Services for the City of Oakley Assessment District No. 2006-1 related to the Refinancing of the Oakley Public Financing Authority Revenue Bonds, Series 2006

Dear Mr. Abelson

NBS would like to thank you for the opportunity to provide Bond Issuance Analysis and Reporting Services for the City of Oakley ("City") as referenced above. We will add this service to our existing agreement with the City. All other provisions of the existing contract between the City and NBS remain in effect. We look forward to continuing our professional relationship.

Please print two (2) copies of our Executed Agreement. Upon signing, please return one copy to the undersigned and keep one copy for your records.

Scope of Services

Bond Issuance Analysis and Reporting Services

Expert Resource. First and foremost, NBS will act as the City's "expert resource," and is available to answer questions and advise the City regarding the ongoing administration of a 1915 Act Assessment District.

Project Management. NBS will meet with City staff, bond counsel, the financial advisor, and other interested parties to:

- Establish lines of communication.
- Clarify the specific project goals and criteria that will meet the City's preference.
- Identify and resolve any special circumstances regarding the restructuring of the revenue bonds.
- Develop a NBS project schedule to meet legal requirements and provide for effective interaction of all involved parties.

Data Collection. NBS will gather, review, and provide data relevant to the restructuring of the District. Data will be obtained from various sources, including District records, County Assessor's parcel maps and information. The information will be based upon the 2013/2014 County Assessor's Secured Roll (or the most current data available) and the latest County Tax Collector's payment and delinquency data available.

Data Processing. NBS will process the data and provide the following:

- Current and prior years' special assessment delinquencies including amounts delinquent and any penalties accrued.
- Reports of Assessed Valuation and Property Ownership will be prepared upon request of the Financing Team. Examples of available reports are, a) Top 25 property owners, b) Aggregate and individual lien to value calculations, and c) Parcel development status.

Fees

NBS will provide support for the refunding based on our current agreement at our current hourly rates, as shown in the table below, not-to-exceed \$1,500.

Title	Hourly Rate
Director	\$ 205
Senior Consultant/Programmer	160
Consultant	140
Analyst	120
Clerical/Support	95
Expert Witness	TBD; with minimum fee

Terms

Services will be invoiced monthly. Expenses will be itemized and included in the next regular invoice. Payment shall be made within 30 days of submittal of an invoice. If payment is not received within 90 days simple interest will begin to accrue at the rate of 1.5% per month. Either party can cancel contracts with 30 days written notice.

Please feel free to contact me if you have any questions or need further information.

Best regards,

**NBS Government Finance Group,
DBA NBS**

City of Oakley



Michael Rentner

Name

President and CEO
Title

12-20-13
Date

Title

Date

Corporate Trust Services
Schedule of fees to provide trustee, registrar, paying agent and
refunding escrow agent services

City of Oakley Public Finance Authority
2014 Revenue Bonds

Trustee acceptance fee **\$2,000**

A one-time fee for our initial review of governing documents, account set-up and customary duties and responsibilities related to the closing. This fee is payable at closing.

Annual trustee administration fee **\$2,000**

An annual fee for the trustee, registrar and paying agent duties described in the governing documents; electronic copy trust account statements and requisition processing of two requests per calendar month. Each requisition in excess of two per calendar month will incur a \$100 fee. The administration fee is payable annually in advance and is not subject to proration in the event of early termination.

Refunding escrow agent acceptance fee (if applicable) **\$500**

A one-time fee payable at closing for our initial review of governing documents, account set-up and customary duties and responsibilities related to the closing; includes subscription to SLGs as directed.

Annual Refunding escrow agent fee (if applicable) **\$1,000**

For services of the agent described in the Refunding Escrow Agent Agreement. This fee is payable annually in advance per year or portion thereof and is not subject to proration in the event of early termination.

Dissemination agent fee (if applicable) **\$500**

For the duties and responsibilities described in the Continuing Disclosure Agreement, including receipt of financial statements and filing reports with MSRB using the EMMA system. This fee is payable annually in advance and is not subject to proration in the event of early termination.

Legal counsel fees and expenses ***None anticipated**

*Wells Fargo does not anticipate hiring outside legal counsel and intends to use internal resources to review the governing documents. Should an eligibility opinion be required of in-house counsel, however, there will be a charge of \$1,500. Wells Fargo reserves the right, at its sole discretion, to hire outside counsel if deemed necessary or advisable. Fees and expenses of outside legal counsel will be billed at cost. Should a legal opinion of outside counsel to the trustee be required, there may be an additional charge.

Investment fees

Wells Fargo does not charge 12b-1 or sweep fees or asset management fees on funds invested in Wells Fargo Money Market Funds or any other fund offered by our corporate trust department. In addition, there are no transaction fees for up to 24 standard investment transactions per year; each investment transaction in excess of 24 per year will incur a \$50 charge.

Fees for the set-up, review and maintenance of 1) a Guaranteed Investment Contract shall be \$1,500 annually; 2) a Master Repurchase Agreement shall be \$1,500 annually; and 3) a Forward Purchase/Delivery Contract shall be \$1,500 annually. In addition, should any investment agreement be substituted, collateralized, or amended, additional charges will apply.

Fees for non-standard agreements, physical securities or other transactions requiring manual processing, or for the investment of funds held outside the bank will be negotiated separately.

Together we'll go far



Corporate Trust Services
Schedule of fees to provide trustee, registrar, paying agent and
refunding escrow agent services

City of Oakley Public Finance Authority
2014 Revenue Bonds

Out-of-pocket expenses **At cost**

Out-of-pocket expenses will be billed at cost at the sole discretion of Wells Fargo.

Extraordinary services **Market rate**

Fees for services not contemplated at the time the governing documents are executed or not specifically covered elsewhere in this schedule will be determined by market rates for such services.

These services may include, but are not limited to, arbitrage rebate compliance, requisition processing in excess of two per month, tender agent services, changes to credit facilities, amendments to documents, interim bond calls, rate mode changes, physical bond transfers, rating agency questionnaires, default administration, extraordinary administrative time, and the publication of redemption or other notices. In addition, if all outstanding bonds are defeased or called in full prior to their stated maturity, or Wells Fargo's engagement is otherwise terminated prior to the stated maturity date, a termination fee may be assessed.

If Wells Fargo determines, in its sole discretion, that outside counsel is necessary or advisable in connection with an event of default, forward delivery agreement, investment agreement, mode change, change in credit facility, supplement, amendment or waiver, or similar event, counsel fees and expenses will be billed as incurred.

Assumptions

This proposal is based upon the following assumptions with respect to the roles of trustee, registrar, paying agent and refunding escrow agent services. Should any of the assumptions, duties or responsibilities change, we reserve the right to affirm, modify, or rescind this proposal.

- Number of funds/accounts: Not more than twelve (12) per issue
- Interest rate: Fixed
- Frequency of interest payments to holders: Semi-annually
- Frequency of principal payments to holders: Not more than annually
- Investment transactions: Not more than twenty-four (24) annually

Terms and conditions

- Should this transaction fail to close through no fault of Wells Fargo Bank, N.A. its acceptance fee, as well as counsel fees and out-of-pocket expenses incurred by Wells Fargo Bank, N.A., may be due and payable.
- Counsel fees and expenses are payable at closing.
- Invoices outstanding for over 30 days are subject to a 1.5% per month late payment penalty.
- Acceptance of the appointment described in this proposal is subject to compliance with the requirements of the USA Patriot Act of 2001 described below, Wells Fargo's satisfactory review of all governing documents, and the execution of the governing documents by all parties.
- This fee proposal is good for 90 days.

Corporate Trust Services
Schedule of fees to provide trustee, registrar, paying agent and
refunding escrow agent services

City of Oakley Public Finance Authority
2014 Revenue Bonds

Important information about identifying our customers

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person (individual, corporation, partnership, trust, estate or other entity recognized as a legal person) for whom we open an account.

What this means for you: Before we open an account, we will ask for your name, address, date of birth (for individuals), TIN/EIN or other information that will allow us to identify you or your company. For individuals, this could mean identifying documents such as a driver's license. For a corporation, partnership, trust, estate or other entity recognized as a legal person, this could mean identifying documents such as a Certificate of Formation from the issuing state agency.

Accepted by:
Issuer/Obligor

Signature

Printed name

Title

Date

Submitted by:
Wells Fargo Bank, N.A.

Stuart Weiss

Signature

Stuart Weiss

Printed name

Vice President

Title

December 26, 2013

Date

**Placement Agreement
for Oakley Public Financing Authority
Infrastructure Revenue Refunding Bonds
between
City of Oakley / Oakley Public Financing Authority
and
RBC Capital Markets, LLC**

January __, 2014

City of Oakley
3231 Main Street
Oakley, CA 94561

Re: Placement Agreement for Infrastructure Revenue Refunding Bonds

Ladies and Gentlemen:

RBC Capital Markets, LLC, (the "Placement Agent" or "RBC CM") hereby enters into this Placement Agreement with the City of Oakley/Oakley Public Financing Authority (the "Issuer" or "You") for the issuance of the Special Tax Refunding Bonds, Series 2013 to facilitate the refunding of the Infrastructure Revenue Bonds, Series 2006 (the "Prior Bonds"). RBC CM on behalf of the Issuer has negotiated with the _____ Bank (the "Lender") an interest rate of ____%. The Issuer acknowledges and agrees that: (i) the transaction contemplated by this Placement Agreement is an arm's length, commercial transaction between the Issuer and the Placement Agent in which the Placement Agent is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Placement Agent has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Placement Agent has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only contractual obligations the Placement Agent has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Placement Agreement; and (iv) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

To the extent the word "Bond" may be used in any way to reference the debt instrument, the word "Bond" is for convenience only and not intended to indicate that the instrument is a security within the meaning of the Securities Act of 1933.

1. RBC CM has conducted discussions with the Lender and other potential lenders, and the Issuer has determined to accept the offer by the Lender to refund the Prior Bonds. The District, solely from funds provided by the Lender, will pay a placement fee equal to \$50,000 (the "Placement

Fee”) to the Placement Agent, which Placement Fee covers all of the Placement Agent’s costs, counsel, fees, and expenses. All fees are subject to execution of this Placement Agreement, Trust Agreement, between the Issuer and _____, as trustee (the “Trust Agreement”) and Resolution adopted by the Issuer.

2. You will deliver or cause to be delivered to the Placement Agent copies of the Resolution, the Trust Agreement, and the Placement Agreement duly approved and adopted and to be in full force and effect upon execution and delivery by the parties hereto. If the obligations of the Placement Agent shall be terminated for any reason permitted hereby, neither the Placement Agent nor the Issuer shall be under further obligation hereunder.
3. The Issuer’s obligation to pay the Placement Fee to the Placement Agent on the date of Closing shall be subject to the following conditions:
 - (a) At the time of the Closing, the Resolution, the Trust Agreement, the Placement Agreement and all related documents of the City shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the Lender and the Issuer.
 - (b) Issuer shall perform or have performed in all material respects at or prior to the Closing all of your obligations required under the Trust Agreement, the Resolution and this Placement Agreement.
4. This Placement Agreement may be terminated at any time by the Issuer, upon five business days prior notice to such effect to the Placement Agent, or by the Placement Agent upon five business days’ prior notice to such effect to the Issuer.
5. This Placement Agreement shall become effective upon the execution of the acceptance hereof by an authorized signatory of the Issuer and shall be valid and enforceable as of the time of such acceptance.

RBC CAPITAL MARKETS, LLC

By _____

Name: Bob Williams

Title: Managing Director

Date _____

ACCEPTANCE

ACCEPTED this ____ day of January 2014

By: _____

Authorized Signatory