

**AGREEMENT FOR
RATE RESET AGENT SERVICES**

**CITY OF CALISTOGA
2016 Rate Reset for the 2007 Capital Improvement Project Lease**

This Agreement, made and entered by and between the City of Calistoga (the "City") and Brandis Tallman LLC ("BTLLC") is for the purpose of establishing BTLLC as Rate Reset Agent for the 2016 Rate Reset (the "Financing"). Our fee for services will not exceed \$11,000. Our fee is payable only if the Financing closes successfully, and will be paid out of costs of issuance upon closing. The City reserves the right to terminate this Agreement or reject the proposed Financing at any time.

SCOPE OF SERVICES

BTLLC shall perform all the duties and services specifically set forth herein and shall provide such other services as it deems necessary or advisable, or are reasonable and necessary to accomplish the intent of the City in a manner consistent with the standards and practices prevailing at the time such services are rendered to the City.

The City may, with the concurrence of BTLLC, expand this Scope of Services to include any additional services not specifically identified within the terms herein.

Insofar as BTLLC is providing services which are rendered only to the City, the overall coordination of the Financing shall be such as to minimize the costs of the transaction coincident with maximizing the City's Financing flexibility. BTLLC's proposed services may include, but shall not be limited to, the following:

- Develop Financing Schedule and Monitor the Transaction Process
- Compute Sizing and Design Structure of the Financing
- Compile/Draft of Disclosure Reports
- Review Financing Documents
- Provide Pre-Closing and Closing Assistance

Specifically, BTLLC will:

1. Develop the Financing Schedule and Monitor the Transaction Process.

BTLLC shall take the lead role in preparing a schedule and detailed description of the interconnected responsibilities of each team member and update this schedule, with refinements, as necessary, as the work progresses.

BTLLC shall have the responsibility of working with the financing team for the successful implementation of the financing strategy and timetable that is adopted, and shall monitor the progress of all activities leading to the close of the Financing.

2. Compute Sizing and Design Structure of Financing.

BTLLC shall work with the City's staff to design the Financing to be consistent with the City's objectives, reflecting current conditions in the capital markets. BTLLC will perform numerical iterations to provide examples of financing scenarios, prepare sources and uses of funds, debt service schedules and cash flow projections, as needed. BTLLC will work with the City and Westamerica Bank (the "Bank") to structure the repayment term for the Financing.

3. Compile/Draft of Disclosure Reports (as necessary and appropriate).

BTLLC will be responsible to compile and draft disclosure information relating to the security of the Financing for review and discussion with the Bank.

4. Review Financing Documents.

BTLLC shall assist any consultants, municipal advisors and/or legal advisors in the drafting of the respective Financing resolutions, notices, and other legal documents. In this regard, BTLLC shall monitor document preparation for a consistent and accurate presentation of the recommended business terms and Financing structure, it being specifically understood however that BTLLC's services shall in no manner be construed as engaging in the practice of law.

5. Provide Pre-Closing and Closing Activities.

BTLLC shall assist in arranging for the closing. BTLLC shall assist the Bank in assuming responsibility for such arrangements as they are required, including arranging for or monitoring settlement of the costs of issuance.

Confirming discussions with the City regarding risk, BTLLC represents the following:

- a. we have no conflict of interest with the City, such as a third party payment or profit-sharing with investors in connection with this Financing;
- b. we have made every effort to have a reasonable basis for all information provided and to present it in a clear, accurate and not misleading presentation;
- c. it must be noted that as a broker/dealer, our relationship with an issuer is basically an arm's-length commercial transaction and we may have financial and other interests that differ from the City.
- d. we are not acting as a municipal advisor, financial advisor or fiduciary to the City or any other person or entity and have not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto.
- e. the only obligations we have to the City with respect to the transaction contemplated hereby expressly are set forth in this Agreement, except as otherwise provided by applicable rules and regulations of the SEC or the rules of the MSRB.
- f. the City has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction.

The City and BTLLC have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

BRANDIS TALLMAN LLC

CITY OF CALISTOGA

By _____

By _____