

EXHIBIT 6A – PAYING AGENT PROVISIONS

The Parties agree to the following provisions governing the receipt and disbursement of funds for the payment of Capital Costs and any Oversizing Payment.

1. Paying Agent. The Placer County Treasurer-Tax Collector will act as the "Paying Agent" for the receipt of SRF loan proceeds and certain other project funds and the payment of approved Capital Costs on behalf of Lincoln to Lincoln's third party contractors, consultants, suppliers and other payees (each, a "Third Party Payee") per the terms of this Exhibit 6A. The Paying Agent will have the sole right to invest and manage the funds deposited with it, and all investment income earned will accrue to the County.

2. Paying Agent Account. The funds held by the Paying Agent for payment pursuant to this Agreement constitute the "Paying Agent Account." County will be the owner of the deposited funds for tax and other purposes. The Paying Agent will establish appropriate accounting mechanisms to manage and track the deposits to and payments from the Paying Agent Account.

2.1 Deposit of Oversizing Contingency Funds. County will deposit funds equal to the Oversizing Contingency with the Paying Agent for credit to the Paying Agent Account. The purposes of these funds are to be available to pay approved Capital Costs pending receipt of SRF loan proceeds.

2.2 Deposit of SRF Loan Proceeds. Upon receipt, County will deposit the proceeds of the SRF loan proceeds with the Paying Agent for the Paying Agent Account. SRF loan proceeds are paid to County based on reimbursement requests for SRF-eligible and approved expenses.

2.3 Deposit of Funds for COJA Change Orders. County will deposit the appropriate funds with the Paying Agent for credit to the Paying Agent Account for any COJA Change Orders that increase the Capital Charge.

2.4 Remaining Funds. County will keep any remaining funds in the Paying Agent Account after all required payments to Lincoln and Third Party Payees have been paid per this Agreement. The Paying Agent will make transfers of remaining funds as directed by County.

3. Payment Disbursement Process.

3.1 Lincoln will receive and review all payment applications, invoices or other evidence of amounts due from its Third Party Payees. Lincoln will certify in Lincoln's payment request as to the amount of each Third Party Payee's payment application, invoice or other evidence of amounts due that represents Capital Costs payable under this Agreement and approved by Lincoln for payment to the Third Party Payee. Lincoln's payment request will include instructions for remittance to each Third Party Payee and indicate any amounts being withheld by Lincoln from the Third Party Payee.

3.2 Lincoln will issue payment requests to the County in the form set forth in Exhibit 6B not more frequently than every month, accompanied by the back-up documentation required by Section 4.2.1 of the Agreement. Each payment request will include a certification from a duly authorized Lincoln representative indicating that all work completed and invoiced was conducted in accordance with this Agreement and represent Capital Costs as defined in this

Agreement. Each payment request will break down the Capital Costs into the follow categories, as applicable:

- 3.2.1 DERA Costs;
- 3.2.2 Project Management/Administration;
- 3.2.3 Construction Work (Direct);
- 3.2.4 Construction Management;
- 3.2.5 Engineering Services during Construction;
- 3.2.6 Mitigations and Mitigation Monitoring;
- 3.2.7 Inspection/Testing; and

3.2.8 COJA Change Order. Capital Costs that are due to a COJA Change Order will be categorized both as a COJA Change Order and also with the category of the nature of the underlying cost (i.e., DERA Costs, Project Management/Administration, Construction Work, Construction Management, Engineering Services during Construction; Mitigations and Mitigation Monitoring; and Inspection/Testing).

3.3 Upon receipt of Lincoln's payment request, the County will review in accordance with Section 4.2.1 of the Agreement. Subject to Section 4.2.1(d) of the Agreement, no later than 33 calendar days from receipt of Lincoln's payment request: (a) County will instruct the Paying Agent to disburse the requested payment with any allowed County adjustments to the Third Party Payees and to Lincoln for Allowable Staff Costs; and (b) the Paying Agent will issue such payments in the applicable amounts. The County will endeavor, without liability, to process Lincoln's payment requests faster than 30 days from receipt. Separately, the County will submit the approved payment amounts to the SRF for reimbursement to County under the SRF financing.

3.4 For any amounts owed by Lincoln to County under the Agreement or incurred by County for the Lincoln-County Project due to a Material Default by Lincoln, County may require the Paying Agent to disburse those amounts from the Paying Agent Account to County or to County's payee. County will promptly provide Lincoln a copy of such disbursement request. Any such disbursement will not relieve Lincoln of its obligation for such amounts under the Agreement.

3.5 After Project Final Completion, if and to the extent the Oversizing Payment has been earned per Section 4.2.3 of the Agreement, Lincoln will submit a payment request for the earned amount of the Oversizing Payment that includes a certification that County has no further obligation to pay Capital Costs.

4. Notification of Contractor Withholding. Lincoln will promptly notify the County of any stop payment notices it receives that would affect payment of Capital Costs and inform the County and the Paying Agent of any amounts that need to be withheld from a payment request pursuant to a stop payment notice or otherwise pursuant to law at least 3 days prior to the due date for Paying Agent's payment to the applicable payee(s). Moreover, Lincoln will promptly advise the County and the Paying Agent of when and how much of those withheld amounts may

be released to the particular Third Party Payee pursuant to law. Lincoln is solely responsible for, and will defend and indemnify the Indemnitees against, any and all claims, suits, damages, fines or penalties resulting from any contractors being paid in violation of a stop payment notice because the County and Paying Agent were not timely notified of the need to withhold the appropriate amount from payment to that contractor.

5. Wire Instructions. Lincoln will require its Third Party Payees to provide wire instructions, including all required forms, to the Paying Agent for their payments within 15 days of execution of their contracts for the Lincoln-County Project. Lincoln will provide wire instructions, including all required forms, to the Paying Agent for its payments within 15 days of execution of this Agreement. Wire instructions must be executed by an authorized representative of the payee.

6. Dry Period Financing. If payments required from the Paying Agent Account would result in a cash flow shortfall, the County will make a request for dry period financing to the Paying Agent. The Paying Agent is authorized to obtain short-term borrowing to cover the cash flow via a dry period financing mechanism. The Paying Agent will take all steps necessary to implement the dry period financing as required, without limitation, including obtaining a resolution from the Placer County Board of Supervisors approving the dry period financing loan. All interest and financing charges for such a loan will be at County's expense.

EXHIBIT 6B – FORM OF PAYMENT REQUEST

REQUEST FOR PAYMENT

MID-WESTERN PLACER REGIONAL SEWER PROJECT

Request for Payment No. _____ Total Amount Requested: \$ _____

For Capital Costs during Period: _____, 20__ through _____, 20__

Pursuant to the Construction, Operations and Joint Exercise of Powers Agreement by and among the County of Placer and the City of Lincoln dated as of _____, 2013 (the "Agreement"), the undersigned officer of the City of Lincoln hereby represents and warrants to the County of Placer and the Paying Agent designated under the Agreement that:

1. Such officer is the _____ of the City of Lincoln and has been duly authorized by the City of Lincoln to submit this Request for Payment.
2. The documentation attached to this Request for Payment meets the requirements of the Agreement and is complete.
3. The City of Lincoln has approved the following amounts for payment, after any withholding by the City, as indicated to the following Third Party Payees:

Payee	Invoiced Amount	Lincoln Withholding	Lincoln Approved Amount	Cost Category*
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	

*Enter a number corresponding to the correct cost category below. For COJA Change Orders, enter both 7 and either 1 through 6 as applicable for the nature of the cost.

1 – Project Mngmt/Admin	3 – Construction Management	5 – Mitigations & Monitor	7 – COJA Change Order
2 – DERA Costs	4 – Construction Work (Direct)	6 – Inspection/Testing	

4. The City of Lincoln certifies that the City's approved amounts for payments to the Third Party Payees represent Capital Costs payable under the Agreement and that the appropriate cost category has been assigned to each payment above.

5. The City of Lincoln certifies that it is entitled to reimbursement of \$_____ of its Allowable Staff Costs under the Agreement for this period. The estimated percentage completion of the Lincoln-County Project construction is __%. The total amount of Allowable Staff Costs paid to the City up to the period covered by this Request for Payment is \$_____. Allowable Staff Costs are assigned to cost category 1 (Project Management/Administration).

6. If the last two columns of the table below is filled out, then the City of Lincoln requests a reallocation of budgeted funds among the line items of the Capital Charge, with adjusting total Capital Charge, as shown in the table below:

Capital Charge Line Item	Current Budgeted Amount	Proposed Budgeted Amount
DERA Costs (capped)	\$	\$
Project Management/Admin	\$	\$
Construction Work (Direct)	\$	\$
Construction Management	\$	\$
Engineering Services – Construction	\$	\$
Mitigations & Mitigation Monitoring	\$	\$
Inspection/Testing	\$	\$
Capital Contingency	\$	\$
Oversizing Contingency	\$	\$

7. The City of Lincoln certifies that all work covered by this Request for Payment was conducted in accordance with the Agreement.

8. Any amounts requested that are for a County Change have been authorized by the City of Lincoln and the County of Placer pursuant to applicable provisions of the Agreement.

9. To the best knowledge of the undersigned officer of the City of Lincoln, the representations, warranties and certifications in this Request for Payment are true and correct in all material respects.

Capitalized terms used herein and not otherwise defined have the meaning set forth in the Agreement.

The instructions for payment (account to be wired) for each Third Party Payee are as follows:

Payee	Wire Instructions*

*If this is the first wire transfer to this payee or if this payee's wire transfer instructions have changed since the last payment, then also attach a copy of wire instructions from the payee on the payee's letterhead that is executed by a duly authorized office of the payee.

AGREED:

Dated: _____

CITY OF LINCOLN

By: _____

Name:

Title:

For use only by County below:

A. County Adjustments. Pursuant to Section 4.2.1(c) of the Agreement, the County of Placer makes the following adjustments to the amounts requested by Lincoln for payment:

A.1 Correction of Mathematical Errors:

[insert or mark N/A]

A.2 Independent Auditor Adjustments:

[insert or mark N/A]

A.3 County Withholding for Previous Payment Request:

[insert or mark N/A; note: must comply with COJA Section 4.2.1(c)(i)]

B. Approved Payments. The County approves the following amounts for payment by the Paying Agent:

B.1 Third Party Payees

Payee	County Approved Amount	Cost Category*
	\$	
	\$	
	\$	
	\$	
	\$	

*Enter a number corresponding to the correct cost category below:

1 – Project Mngmt/Admin	3 – Construction Management	5 – Mitigations & Monitor	7 – COJA Change Order
2 – DERA Costs	4 – Construction Work (Direct)	6 – Inspection/Testing	

B.2 Allowable Staff Costs

County approves \$_____ for payment to Lincoln for Allowable Staff Costs. Allowable Staff Costs are assigned to cost category 1 (Project Management/Administration).

AUTHORIZED BY:

Name:
Title:
Date: