

EXHIBIT "A"

TERMS AND CONDITIONS - LOAN PROGRAM FOR ABANDONMENT OF SEPTIC TANK/CESSPOOLS AND CONNECTION TO SANITARY SEWER SYSTEM

- A. The maximum loan amount per residence is \$15,000, to cover costs of both septic/cesspool abandonment and house branch costs. There is no minimum loan amount and loan funds may be combined with other sources of funds to complete the necessary work. All loan proceeds may be used only for abandonment of septic tank and cesspools and connection to the sanitary sewer systems. The entire project must be fully funded prior to any advance of City loan funds.
- B. The loan shall be repaid in substantially equal monthly installments amortized over a period of not more than twenty (20) years, at a rate of interest as periodically established by the Controller and adopted by City Council in the Master Fee Resolution.
- C. The loan documents shall be signed by all persons with a fee ownership interest of record in the subject property, and shall include the legal description of the property.
- D. The loan or any portion thereof may be accelerated and paid at any time without penalty.
- E. The loan shall be executed by deed trust note establishing a lien against the property in favor of the City, and shall be recorded in the office of the Fresno County Recorder.
- F. The loan and deed trust note shall be a lien on the subject property, enforceable by the City in any manner available at law or in equity, including but not limited to private foreclosure and sale of the property in the manner provided by Section 2924 of the California Civil Code.
- G. The loan in its entirety is due and payable upon the earlier of: (i) the specified maturity date not to exceed twenty (20) years, or (ii) sale or other transfer of the subject property.
- H. The owner of the subject property ("Owner") agrees to maintain the subject property in accordance with applicable standards and the codes, and agrees not to accumulate debris, inoperable or abandoned vehicles on site, or have any other unsightly or dangerous conditions on site.
- I. To the furthest extent allowed by law, Owner shall indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any

time and property damage), and from any and all claims, demands and actions in law or equity (including reasonable attorney's fees and litigation expenses) that arise out of, pertain to, or relate to: (i) this Program, the loan, and performance or lack of performance thereof; (ii) the work funded hereunder; and/or (iii) the negligence, recklessness or willful misconduct of Owner, its principals, officers, employees, agents or volunteers in the performance of this Agreement.

This section shall survive termination or expiration of this Agreement.

J. Procedures.

1. Owner must obtain bid(s) from (a) licensed plumbing contractor(s) to complete all work. Owner then must bring the a copy of the plumber's bid, a copy of his or her deed from the most recent property tax bill, and a proposed budget, to the City of Fresno Department of Public Utilities Planning and Engineering ("UP&E") office, located at 2600 Fresno Street. Once the bid(s) and accompanying documents are received, staff will prepare the loan documents to secure the loan, including:
 - a. Deed of Trust
 - b. Promissory Note
 - c. Truth in Lending Disclosure Statement
2. Once the loan documents are complete, Owner(s) must sign the necessary documents, and procure a notarization of the Deed of Trust.
3. Once the loan documents are complete, Owner will engage the selected plumbing contractor to proceed with the work. The work shall include obtaining applicable permit(s) from the appropriate agencies (i.e. City of Fresno Development Department or Fresno County Department of Public Works and Planning). If the total bid exceeds the \$15,000 loan amount, the Owner must make other arrangements with the Contractor to pay the difference. After the work is completed and inspected by the appropriate agency and the permit is finalized, the plumbing contractor shall return the finalized permit to UP&E. Owner is required to pay all applicable sewer connection fees prior to pulling a plumbing permit.
4. City staff shall deliver the signed paperwork to the Finance Department; monthly billing for the loan will commence. UP&E will take the Deed of Trust to the County Hall of Records to be recorded prior to disbursement of any loan funds. Once UP&E receives the finalized bill and permit, a check will be prepared for the Plumbing Contractor. The selected plumbing contractor may pick the check up in person or the City may mail it to the contractor upon notice.

5. Once the appropriate agency approves the sewer connection permit, UP&E shall notify Utility Billing and Collection to start monthly utility sewer service billing for the connected residence.

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