



SAN FERNANDO CITY COUNCIL
REGULAR MEETING NOTICE AND AGENDA
NOVEMBER 16, 2015 – 6:00 PM

COUNCIL CHAMBERS
117 MACNEIL STREET
SAN FERNANDO, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo
Vice Mayor Sylvia Ballin
Councilmember Robert C. Gonzales
Councilmember Antonio Lopez
Councilmember Jaime Soto

PLEDGE OF ALLEGIANCE

Police Explorer Michael Hernandez

APPROVAL OF AGENDA

PRESENTATIONS

- a) CHILI FESTIVAL – CERTIFICATES OF RECOGNITION
Mayor Joel Fajardo
- b) DISCOVERY CUBE L.A. ECO CHALLENGE EDUCATION PROGRAM PARTNERSHIP
Deputy City Manager/Public Works Director Chris Marcarello
- c) SAN FERNANDO BEAUTIFICATION PROJECT – RECOGNITION OF VOLUNTEERS
Councilmember Robert C. Gonzales

PUBLIC STATEMENTS – WRITTEN/ORAL

There will be a three (3) minute limitation per each member of the audience who wishes to make comments relating to City Business. Anyone wishing to speak, please fill out the blue

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form located at the Council Chambers entrance and submit it to the City Clerk. When addressing the City Council please speak into the microphone and voluntarily state your name and address.

CONSENT CALENDAR

Items on the Consent Calendar are considered routine and may be disposed of by a single motion to adopt staff recommendation. If the City Council wishes to discuss any item, it should first be removed from the Consent Calendar.

- 1) REQUEST TO APPROVE MINUTES OF OCTOBER 19, 2015 – SPECIAL MEETING**
- 2) CONSIDERATION TO ADOPT RESOLUTION NOS. 15-111 AND 15-112 APPROVING THE WARRANT REGISTERS OF NOVEMBER 2, 2015 AND NOVEMBER 16, 2015, RESPECTIVELY**
- 3) CONSIDERATION TO ADOPT PUBLIC EMPLOYEE RETIREMENT SYSTEM RESOLUTIONS IMPLEMENTING PROVISIONS OF THE CURRENT MEMORANDUM OF UNDERSTANDINGS WITH THE CITY'S BARGAINING UNITS**

Recommend that the City Council:

- a. Adopt Resolution Nos. 7706 - 7710 for paying and reporting the value of Employer Paid Member Contributions;
- b. Adopt Resolution No. 7711 rescinding the health benefit vesting for the San Fernando Police Officers' Association; and
- c. Authorize the City Manager to make non-substantive corrections and execute all related documents.

- 4) CONSIDERATION TO APPROVE A PURCHASE ORDER WITH DELL FOR THE PURCHASE OF SOFTWARE FOR THE NETWORK SERVER UPGRADE PROJECT**

Recommend that the City Council:

- a. Approve a Purchase Order in the amount of \$45,445.39 with Dell for the purchase of software for the Network Server Upgrade Project; and
- b. Authorize the City Manager to execute the Purchase Order.

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5) CONSIDERATION AND APPROVAL OF A FIRST AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT

Recommend that the City Council approve the First Amendment (Contract No. 1737(a)) to the City Manager Employment Agreement.

6) CONSIDERATION AND APPROVAL OF CITY CLERK JOB SPECIFICATION AND EMPLOYMENT AGREEMENT

Recommend that the City Council:

- a. Adopt Resolution No. 7712 approving a revised job specification for the position of City Clerk; and
- b. Approve an Employment Agreement with the City Clerk (Contract No. 1804).

7) CONSIDERATION TO APPROVE AN AGREEMENT WITH THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) RELATED TO COMMUNITY SUSTAINABLE TRANSPORTATION PLANNING GRANT

Recommend that the City Council:

- a. Adopt Resolution No. 7713 authorizing the City to submit for reimbursements under the Caltrans Sustainable Transportation Planning Grant; and
- b. Authorize the City Manager or designee to execute agreements related to the Caltrans Planning Grant on behalf of the City.

PUBLIC HEARING**8) CONSIDERATION TO ADOPT A RESOLUTION APPROVING THE ISSUANCE OF CERTIFICATES OF PARTICIPATION TO FINANCE CERTAIN STREET IMPROVEMENT PROJECTS AND TO APPROVE THE EXECUTION OF NECESSARY FINANCING DOCUMENTS**

Recommend that the City Council:

- a. Conduct a Public Hearing;
- b. Pending public testimony, adopt Resolution No. 7705 approving the execution and delivery of California Communities Transportation Revenue Certificates of Participation, Series 2016 pursuant to a Trust Agreement, authorizing the execution

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and delivery of a Trust Agreement, Certificate Purchase Agreement and Installment Sale Agreement, authorizing the distribution of an Official Statement in connection with the offering and sale of such Certificates, and authorizing the filing of a validation action and other matters relating thereto; and

c. Authorize the City Manager to execute all related documents.

9) CONSIDERATION TO ADOPT AN URGENCY ORDINANCE EXTENDING AN INTERIM MORATORIUM ON THE ESTABLISHMENT OR EXPANSION OF DENTAL OR MEDICAL CLINICS THROUGH OCTOBER 17, 2016

Recommend that the City Council:

- a. Conduct a Public Hearing; and
- b. Pending public testimony, waive full reading and adopt Urgency Ordinance No. U-1647 by title, “An Urgency Ordinance of the City Council of the City of San Fernando Extending an Interim Moratorium on the Establishment or Expansion of Dental or Medical Clinics Through October 17, 2016”, and waive further reading. This ordinance is introduced pursuant to Government Code Section 65858, and requires a four-fifths vote for adoption.

ADMINISTRATIVE REPORTS

10) CONSIDERATION TO ADOPT AN ORDINANCE AMENDING THE CITY CODE REGARDING THE APPOINTMENT, REMOVAL, AND RULES OF DECORUM FOR CITY COMMISSIONERS

Recommend that the City Council:

- a. Receive report from City staff; and
- b. Introduce for first reading, in title only, and waive further reading of Ordinance No. 1648, “An Ordinance of the City Council of the City of San Fernando Amending Division I (Generally) of Article V (Boards, Commissions, Committees, Agencies, and Authorities) of Chapter 2 (Administration) Regarding the Appointment, Removal, and Rules of Decorum for City Commissioners”

11) CITY COUNCIL PRIORITIES UPDATE

Recommend that the City Council receive and file the report.

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12) CONSIDERATION TO APPROVE A FUNDING AGREEMENT FOR A COUNTYWIDE PARK NEEDS ASSESSMENT

Recommend that the City Council:

- a. Authorize the City Manager to execute Funding Agreement No. 1803 with the County of Los Angeles to secure “Engagement Funds” for conducting one community engagement meeting; and
- b. Authorize the City Manager to allocate City staff time to begin plans for implementing the community engagement meeting in the City of San Fernando related to the Countywide Parks Needs Assessment.

13) PHOTOGRAPHY AND FILM PRODUCTION PERMIT ANALYSIS

Recommend that the City Council provide further direction regarding the photography and film production permit program.

14) DISCUSSION REGARDING A REQUEST FOR A MORATORIUM ON ANY MULTI-UNIT HOUSING OF FOUR UNITS OR MORE

This item is placed on the agenda by Vice Mayor Sylvia Ballin.

15) CONSIDERATION TO SUBMIT AN APPLICATION FOR THE FOOD INSECURITY NUTRITION INCENTIVE GRANT PROGRAM AND POTENTIAL IMPLEMENTATION OF A FARMER’S MARKET

This item is placed on the agenda by Mayor Joel Fajardo.

COMMITTEE/COMMISSION LIAISON UPDATES**GENERAL COUNCIL COMMENTS****STAFF COMMUNICATION****ADJOURNMENT**

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I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting.

Elena G. Chávez, CMC

City Clerk

Signed and Posted: November 13, 2015 (12:00 p.m.)

Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet Web site (www.sfcity.org). These are also available for public reviewing prior to a meeting in the City Clerk's Office. Any public writings distributed by the City Council to at least a majority of the Councilmembers regarding any item on this regular meeting agenda will also be made available at the City Clerk's Office at City Hall located at 117 Macneil Street, San Fernando, CA, 91340 during normal business hours. In addition, the City may also post such documents on the City's Web Site at www.sfcity.org. In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/accommodation to attend or participate in this meeting, including auxiliary aids or services please call the City Clerk's Office at (818) 898-1204 at least 48 hours prior to the meeting.

Regular Meeting

San Fernando City Council

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**SAN FERNANDO CITY COUNCIL
MINUTES**

**OCTOBER 19, 2015 – 4:30 P.M.
SPECIAL MEETING**

City Hall Community Room
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo called the meeting to order at 4:30 p.m.

Present:

Council: Mayor Joel Fajardo, Vice Mayor Sylvia Ballin, and Councilmembers Robert C. Gonzales, Antonio Lopez, and Jaime Soto (arrived at 4:39 p.m.)

Staff: City Manager Brian Saeki, City Attorney Rick R. Olivarez, Deputy City Attorney Richard Padilla, and City Clerk Elena G. Chávez

PLEDGE OF ALLEGIANCE

Led by Councilmember Gonzales

APPROVAL OF AGENDA

Motion by Councilmember Lopez, seconded by Councilmember Gonzales, to approve the agenda. By consensus, the motion carried.

PUBLIC STATEMENTS – WRITTEN/ORAL

None

RECESS TO CLOSED SESSION (4:31 P.M.)

By consensus, Councilmembers recessed to the following Closed Session as announced by City Attorney Olivarez:

- A) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (G.C. 54956.9(a))
- | | |
|---------------|---|
| Name of Case: | Randy Jaramillo, et al. v. City of San Fernando, et al. |
| Case No.: | PC052711 |

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SPECIAL MEETING MINUTES – October 19, 2015**

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- B) CONFERENCE WITH LEGAL COUNSEL TO DISCUSS FACTS AND CIRCUMSTANCES WHICH CREATE EXPOSURE TO LITIGATION
G.C. §54956.9(d)(2) AND §54956.9(e)(1)
One (1) Matter
- C) CONFERENCE WITH LABOR NEGOTIATOR
G.C. §54957.6
Designated City Negotiator: City Manager Brian Saeki
- Employees and Employee Bargaining Units that are the Subject of Negotiation:
San Fernando Management Group (SEIU, Local 721)
San Fernando Public Employees' Association (SEIU, Local 721)
San Fernando Police Officers Association
San Fernando Police Officers Association Police Management Unit
San Fernando Police Civilian Association (SEIU, Local 721)
San Fernando Part-time Employees' Bargaining Unit (SEIU, Local 721)
All Unrepresented Employees
- D) CONFERENCE WITH LABOR NEGOTIATOR – UNREPRESENTED EMPLOYEE
G.C. §54957.6
Designated City Negotiators: Mayor Joel Fajardo and Vice Mayor Sylvia Ballin
Unrepresented Employee: City Manager
- E) CONFERENCE WITH LABOR NEGOTIATOR – UNREPRESENTED EMPLOYEE
G.C. §54957.6
Designated City Negotiators: Mayor Joel Fajardo and Vice Mayor Sylvia Ballin
Unrepresented Employee: City Clerk
- F) PUBLIC EMPLOYEE EMPLOYMENT/PERFORMANCE EVALUATION
G.C. §54957
Title of Employee: City Clerk

RECONVENE FROM CLOSED SESSION (6:01 P.M.)

City Attorney Olivarez reported the following:

Items A, B, and C – The City Council received a briefing from staff, direction was given, but nothing further to report.

Item D – Was not discussed.

Items E and F – The City Council received a briefing, direction was given, but no final action was taken.

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SPECIAL MEETING MINUTES – October 19, 2015**

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ADJOURNMENT (6:01 P.M.)

Motion by Councilmember Gonzales, seconded by Councilmember Lopez, to adjourn. The motion carried unanimously.

I do hereby certify that the foregoing is a true and correct copy of the minutes of October 19, 2015 meeting as approved by the San Fernando City Council.

*Elena G. Chávez
City Clerk*

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Brian Saeki, City Manager
By: Nick Kimball, Finance Director

Date: November 16, 2015

Subject: Consideration to Adopt Resolution No.s 15-111 and 15-112 Approving the Warrant Registers of November 2, 2015 and November 16, 2015, Respectively

RECOMMENDATION:

It is recommended that the City Council:

- a. Adopt Resolution No. 15-111 (Attachment "A") approving the Warrant Register dated November 2, 2015; and
- b. Adopt Resolution No. 15-112 (Attachment "B") approving the Warrant Register dated November 16, 2015.

BACKGROUND:

For each City Council meeting the Finance Department prepares a Warrant Register for Council approval. The Register includes all recommended payments for the City. Checks, other than handwritten checks, generally are not released until after the City Council approves the Register. The exceptions are for early releases to avoid penalties and interest, excessive delays and in all other circumstances favorable to the City to do so. Handwritten checks are those payments required to be issued between Council meetings such as insurance premiums and tax deposits. Staff reviews requests for expenditures for budgetary approval and then prepares a Warrant Register for Council approval and or ratification. Items such as payroll withholding tax deposits do not require budget approval.

The Finance Director hereby certifies that all requests for expenditures have been signed by the department head, or designee, receiving the merchandise or services thereby stating that the items or services have been received and that the resulting expenditure is appropriate. The Finance Director hereby certifies that each Warrant Register has been reviewed for completeness and that sufficient funds are available for payment of the Warrant Register.

Consideration to Adopt Resolution No.s 15-111 and 15-112 Approving the Warrant Registers of November 2, 2015 and November 16, 2015, Respectively

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There are two Warrant Registers enclosed due to the lack of a formal City Council meeting on November 2, 2015. As directed by Resolution No. 6212, the Warrant Register for November 2, 2015 was approved by the City Manager and the Finance Director. This Resolution permits for the release of regular occurring Warrant Registers. A copy of the Resolution (Attachment "C") and the memorandum provided to the City Treasurer approving the release of the Warrant Register (Attachments "D") is also included.

ATTACHMENT:

- A. Resolution No. 15-111
- B. Resolution No. 15-112
- C. Resolution No. 6212
- D. Memorandum Approving Release of Warrant Register (November 2, 2015)

RESOLUTION NO. 15-111

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO ALLOWING AND APPROVING FOR PAYMENT DEMANDS PRESENTED ON DEMAND/ WARRANT REGISTER NO. 15-111

THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

1. That the demands (EXHIBIT "A") as presented, having been duly audited, for completeness, are hereby allowed and approved for payment in the amounts as shown to designated payees and charged to the appropriate funds as indicated.

2. That the City Clerk shall certify to the adoption of this Resolution and deliver it to the City Treasurer.

PASSED, APPROVED, AND ADOPTED this 16th day of November, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 16th day of November, 2015, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

EXHIBIT "A"

vchlist Page: 1
 11/02/2015 1:43:32PM Voucher List
 CITY OF SAN FERNANDO

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111761	11/2/2015	100020 A.G.O.P. SURPLUS STORES	11206		UNIFORMS	
			11209		001-222-0000-4300 UNIFORMS	10.95
					001-222-0000-4300 UNIFORMS	257.46
					Total :	268.41
111762	11/2/2015	100101 VERIZON WIRELESS-LA	970459610		VARIOUS CELL PHONES	
					001-105-0000-4220	33.21
					072-360-0000-4220	32.58
					001-101-0109-4220	33.00
					001-101-0111-4220	38.07
					001-101-0107-4220	33.21
					Total :	170.07
111763	11/2/2015	100222 ARROYO BUILDING MATERIALS, INC	154620		WATER SIDEWALK REPAIR - 400 JESSI	
			154659		070-383-0000-4260 SIDEWALK REPAIR - 400 JESSIE	120.63
			155200		070-383-0000-4260 BROOMS	98.97
					001-341-0000-4300	39.91
					Total :	259.51
111764	11/2/2015	100311 BARR ELECTRIC CO.	15227		INSTALL NEW CEILING MOUNT PROJEC	
					043-390-0000-4330	1,213.29
					Total :	1,213.29
111765	11/2/2015	100532 STATE OF CALIFORNIA, DEPARTMENT OF JUSTICE	123109		DOJ FINGERPRINTS - SEPT 2015	
			125381		004-2386 EMPLOYEE FINGERPRINTING	5,539.00
					001-106-0000-4270	128.00
					Total :	5,667.00
111766	11/2/2015	100676 R. E. CHARLES PLUMBING, INC.	17175		TOILET REPAIR @ LP PARK	
					043-390-0000-4330	132.09
					Total :	132.09

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 11/02/2015 1:43:32PM Voucher List
 CITY OF SAN FERNANDO

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111767	11/2/2015	100735 COASTAL AIR	15601		A/C REPAIR AT LP PARK	
					043-390-0000-4330	145.00
					Total :	145.00
111768	11/2/2015	100805 COOPER HARDWARE INC.	96689		MOUNTING TAPE	
			96876		070-384-0301-4300 CEMENT FOR SIGN BASE	4.68
			97534		001-370-0301-4300 30' TAPE MEASURE & 50' EXT CORD	9.04
			97618		070-384-0000-4340 MARKING PAINT	107.34
			97626		027-344-0301-4300 NUTS, BOLTS & WASHES	78.35
			97635		070-383-0301-4300 NUTS, BOLTS & WASHES	5.65
			97635		070-384-0301-4300 COUPLINGS, STRAPS, NUTS, BOLTS &	17.40
			97661		070-384-0301-4300 SPRINT NUT, NUTS, BOLTS, BRACKET	150.39
			97663		070-384-0301-4300 NITRATE ANALYZER MOUNT STRUT, PI	15.86
			97709		070-384-0301-4300 RES'R 4 & 2 MESH FOR HATCHES	8.98
			97727		070-384-0301-4300 STREET LIGHT MAT'LS	72.27
			97736		027-344-0301-4300 TOOLS FOR STOP SIGN CLEARANCE	142.93
			97797		001-370-0000-4340 PAINT	38.19
					001-341-0000-4300	651.08
					Total :	651.08
111769	11/2/2015	100886 LOS ANGELES DAILY NEWS	0010708572		PUBLICATION OF BRAND BLVD PROJ #	
					001-310-0000-4450	780.00
					Total :	780.00
111770	11/2/2015	101147 FEDEX	5-193-80073		COURIER SERVICE	
					001-190-0000-4280	69.98

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vchlist		Voucher List				Page:	3
11/02/2015 1:43:32PM		CITY OF SAN FERNANDO					
Bank code : bank							
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
111770	11/2/2015	101147 101147 FEDEX	(Continued)			Total :	69.98
111771	11/2/2015	101300 GENERAL PUMP CO., INC.	22177C		CREDIT FOR DUPLICATE INVOICE #24		
			24162		070-384-0857-4600		-11,256.00
					WELL 7A NITRATE PROJ PUMP INSTAL		23,722.12
					070-384-0857-4600	Total :	12,466.12
111772	11/2/2015	101302 VERIZON	818181111		MUSIC CHANNEL		
			818181114		001-190-0000-4220		47.51
			818181126		CITY YARD AUTO DIALER		
			818181136		070-384-0000-4220		51.58
			8181990351		RADIO REPEATER		46.91
			8183610901		001-222-0000-4220		46.91
			8183612472		PAC 50 TO SHERRIFFS		524.47
			8183613958		001-222-0000-4220		54.50
			8188315002		SEWER FLOW MONITOR		211.82
			8188377174		072-360-0000-4220		48.33
			8188381841		PW PHONE LINES		48.55
					070-384-0000-4220		26.64
					CNG STATION		27.24
					041-320-3661-4220	Total :	1,134.46
111773	11/2/2015	101376 GRAINGER, INC.	819379686		POST BASE, PORTABLE BLOCKOUT KI		
			9867431190		070-384-0000-4310		449.96
			9867525868		EYE WEAR SAFETY GEAR		1.42
					043-390-0000-4300		
					SAFETY SUPPLIES		

vchlist		Voucher List				Page:	4
11/02/2015 1:43:32PM		CITY OF SAN FERNANDO					
Bank code : bank							
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
111773	11/2/2015	101376 GRAINGER, INC.	(Continued)				
					043-390-0000-4310	Total :	80.56
111774	11/2/2015	101528 THE HOME DEPOT CRC, ACCT#603532202490	1067951		SUPPLIES FOR REC PARK		
			1068005		001-420-0000-4300		374.91
			1974686		SUPPLIES FOR REC PARK		190.44
			2023336		001-420-0000-4300		1,759.31
			2063343		SALT FOR OSG SYSTEM		25.78
			2067786		070-384-0301-4300		55.99
			2582386		MAT'LS FOR BRAND MEDIAN PROJ		208.88
			3061826		001-311-0000-4300		214.63
			3180967		STREET LIGHT NUMBERING		300.03
			34975		027-344-0301-4300		235.82
			3551825		DRILL COMBO		24.02
			4033291		027-344-0000-4340		109.43
			4271555		PARTS FOR WELL 4A & 7A		143.09
			5022040		070-384-0301-4300		219.19
			5061554		SHELVING/SUPPLIES		36.08
			5071155		001-424-0000-4300		346.92
			6071051		PEST CONTROL @ 501 FIRST TRAILER		418.50
					043-390-0000-4300		
					MAT'LS FOR BRAND BLVD MEDIAN PR		
					001-311-0000-4300		
					SMALL TOOLS		
					043-390-0000-4340		
					BLEACHER PLANK REPLACEMENT @ I		
					043-390-0000-4300		
					BLEACHER PLANK REPLACEMENT @ I		
					043-390-0000-4300		
					NITRATE SITE TUBE PARTS		
					070-384-0000-4330		
					LP LIGHTS, REC PARK FENCE REPAIR,		
					043-390-0000-4300		
					PAINT & SUPPLIES - CIF SF BEUATIFIC.		
					053-101-0111-4430		
					PARTS FOR WELL 4A & 7A		

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11/02/2015	1:43:32PM	CITY OF SAN FERNANDO				
Bank code : bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111774	11/2/2015	101528 THE HOME DEPOT CRC, ACCT#603532202490 (Continued)				
			6072382		070-384-0301-4300 ABS PIPE REPAIR @ LOPEZ HOUSE	208.75
			6072388		043-390-0000-4300 PARTS FOR WELL 7A	27.47
			7905359		070-384-0301-4300 KNEE PADS	54.26
			8022785		001-311-0000-4300 PD/POOL ROOF VIRTUAL PATROL CON	163.47
			8562189		001-135-0000-4500 LOPEZ HOUSE CONCRETE REPAIR; DI	333.59
					043-390-0000-4300	35.85
					Total :	5,486.41
111775	11/2/2015	101599 IMAGE 2000 CORPORATION	VN478060		FREIGHT CHARGE FOR TONERS	
					001-420-0000-4260	21.00
					Total :	21.00
111776	11/2/2015	101647 INTERSTATE BATTERY	30064812		BATTERIES FOR FLEET	
			30064813		041-1215 BATTERY RETURNED	264.88
					041-1215	-132.44
					Total :	132.44
111777	11/2/2015	101666 DE LAGE LANDEN FINANCIAL SERVS	47186461		OCT 2015 LEASE PAYMENT FOR PD CC	
			47362655		001-222-0000-4260 OCT LEASE PAYMENT - VARIOUS COPI	638.12
					001-190-0000-4320	443.64
					001-420-0000-4260	405.44
					103-420-0000-4260	101.36
					104-420-0000-4260	101.36
					070-381-0000-4290	146.70
			47583223		NOV LEASE PAYMENT FOR PD COPIEF	
					001-222-0000-4260	607.73
					Total :	2,444.35
111778	11/2/2015	101920 LIEBERT CASSIDY WHITMORE	1411015		LEGAL SERVICES	

vchlist		Voucher List			Page: 6	
11/02/2015	1:43:32PM	CITY OF SAN FERNANDO				
Bank code : bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111778	11/2/2015	101920 LIEBERT CASSIDY WHITMORE	(Continued)			
			1411016		001-112-0000-4270 LEGAL SERVICES	130.00
					001-112-0000-4270	25.50
					Total :	155.50
111779	11/2/2015	101929 LINGO INDUSTRIAL ELECTRONICS	32279		CONTROLLER REPLACEMENT	
			32280		001-371-0301-4300 TRAFFIC CABINET POWER SUPPLIES	1,494.39
					001-370-0301-4300	553.72
					Total :	2,048.11
111780	11/2/2015	101971 L.A. MUNICIPAL SERVICES	0047501000		ELECTRIC - 13003 BORDEN	
			4947501000		070-384-0000-4210 WATER - 12900 DRONFIELD	786.98
			5007501000		070-384-0000-4210 ELECTRIC - 13655 FOOTHILL	94.43
			5947501000		070-384-0000-4210 ELECTRIC - 12900 DRONFIELD	179.17
			6577501000		070-384-0000-4210 ELECTRIC - 14060 SAYRE	4,845.01
			6947501000		070-384-0000-4210 WATER - 13180 DRONFIELD	11,715.46
			7577501000		070-384-0000-4210 WATER - 14060 SAYRE	4.97
			7947501000		070-384-0000-4210 ELECTRIC - 13186 DRONFIELD	92.30
					070-384-0000-4210	83.24
					Total :	17,801.56
111781	11/2/2015	101974 LOS ANGELES COUNTY	SEPT-2015		DEPT OF ANIMAL CARE & CONTROL FI	
					001-190-0000-4260	4,553.52
					Total :	4,553.52
111782	11/2/2015	102007 L.A. COUNTY SHERIFFS DEPT.	160999SS		INMATE MEAL SERVICE - SEPT 2015	
					001-225-0000-4350	771.94

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111782	11/2/2015	102007 102007 L.A. COUNTY SHERIFFS DEPT.	(Continued)			Total : 771.94	
111783	11/2/2015	102012 LOS ANGELES COUNTY	8920-851-365		2015-2016 PROPERTY TAXES - WATER 070-381-0000-4450	1,847.73 Total : 1,847.73	
111784	11/2/2015	102226 MISSION LINEN & UNIFORM	501067645 501092469 501112356 501137618		LAUNDRY 001-225-0000-4350 LAUNDRY 001-225-0000-4350 LAUNDRY 001-225-0000-4350 LAUNDRY 001-225-0000-4350	157.05 111.76 102.67 183.45 Total : 554.93	
111785	11/2/2015	102303 NACHO'S ORNAMENTAL SUPPLY	INV067735		NITRATE SITE TUBE 070-384-0000-4300	18.11 Total : 18.11	
111786	11/2/2015	102307 HI WAY SAFETY RENTALS, INC.	36717		WATCH BOOKS FOR SAFETY MEETING 001-311-0000-4300	394.20 Total : 394.20	
111787	11/2/2015	102403 NOW IMAGE PRINTING	5231 5235		TEMPORARY "NO PARKING" SIGNS 001-311-0000-4300 GREEN SHUT OFF DOOR HANGERS 070-382-0000-4300 072-360-0000-4300	525.60 57.49 57.49 Total : 640.58	
111788	11/2/2015	102423 OCCU-MED, INC.	0915901		PRE-EMPLOYMENT PHYSICALS 001-106-0000-4270	1,394.50 Total : 1,394.50	
111789	11/2/2015	102431 THE ODYSSEY RESTAURANT	121715		SENIOR CLUB DEP FOR HOLIDAY 004-2380	4,000.00	
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111789	11/2/2015	102431 102431 THE ODYSSEY RESTAURANT	(Continued)			Total : 4,000.00	
111790	11/2/2015	102432 OFFICE DEPOT	1850850739 1853533328 791930002001 791930003001 791930004001 794854140001 796647436001 797146228001 797146229001 797278359001 797893064001 797893322001 799540041001 799540188001 799753033001 800084505001		BINDERS, POST ITS, DIVIDERS, ETC 001-222-0000-4300 COPY PAPER 001-222-0000-4300 ART CLASS SUPPLIES 017-420-1343-4300 ART CLASS SUPPLIES 017-420-1343-4300 ART CLASS SUPPLIES 017-420-1343-4300 USB STICK 001-222-0000-4300 COPY PAPER 001-420-0000-4300 INDEX TABS 001-150-0000-4300 DIGITAL RECORDER 001-150-0000-4300 BLUE COPY PAPER, BINDERS, DESK T 001-115-0000-4300 CHAIRMAT 001-222-0000-4300 LABELS AND FILES 001-222-0000-4300 MARKERS, DRY ERASER BOARD, STO 001-150-0000-4300 PARTITION HANGER 001-150-0000-4300 LABELS, COPY PAPER, ETC 001-222-0000-4300 EXPANDING FILES 001-222-0000-4300	250.06 40.86 48.53 12.03 50.51 61.09 205.26 41.08 99.85 71.81 113.75 58.76 85.55 9.84 289.73 132.67 Total : 1,571.38	
111791	11/2/2015	102443 OKAFOR, MICHAEL	REIMB.		MILEAGE REIMB. - ICRMA MEETINGS		
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111791	11/2/2015	102443 OKAFOR, MICHAEL	(Continued)		001-106-0000-4390	62.01	
					Total :	62.01	
111792	11/2/2015	102530 AT & T	818-270-2203		ISDN LINE/LASN NETWORK 001-222-0000-4220	109.99	
					Total :	109.99	
111793	11/2/2015	102666 PREFERRED DELIVERY SYSTEMS INC	549-129		COURIER SERVICE 001-222-0000-4260	103.00	
					Total :	103.00	
111794	11/2/2015	102779 RAMIREZ, THOMAS	OCT 2015		KARATE INSTRUCTOR 017-420-1326-4260	540.00	
					Total :	540.00	
111795	11/2/2015	102929 ROYAL PAPER CORPORATION	4551283		JANITORIAL SUPPLIES 043-390-0000-4300	1,385.07	
					Total :	1,385.07	
111796	11/2/2015	102930 ROYAL WHOLESALE ELECTRIC	8901-719065		LED @ WELL #2 & #3 070-384-0000-4330	774.99	
					Total :	774.99	
111797	11/2/2015	103010 SAM'S CLUB DIRECT, #0402465855179	4369 4422 6454 7569 9168		SUPPLIES FOR VOLUNTEER FAMILY N 004-2391 BREAK ROOM SUPPLIES 001-222-0000-4300 SUPPLIES FOR VOLUNTEER FAMILY N 004-2391 ITEMS FOR GREAT SHAKEOUT DRILL 001-310-0000-4360 EXPLORERS' CAMPING TRIP SUPPLIE 001-226-0230-4430	118.13 322.95 172.45 45.61 634.38	
					Total :	1,293.52	
111798	11/2/2015	103029 SAN FERNANDO, CITY OF	16117-16189		REIMBURSEMENT TO WORKERS COM 006-1035	24,771.61	
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111799	11/2/2015	103045 SAN FER. MALL DOWNTOWN ASSOC.	070-2864 OCT 2015		EDDY VALVE DEP REFUND 070-2864 REIMB TO DOWNTOWN ASSOC FOR P 001-2260	1,985.00 53.00	
					Total :	2,038.00	
111800	11/2/2015	103057 SAN FERNANDO VALLEY SUN	9403		CIF - SPONSORSHIP OF PROJ GRAD C 053-101-0109-4430	2,000.00	
					Total :	2,000.00	
111801	11/2/2015	103184 SMART & FINAL	141429 176857 176954		DAY CAMP WEEKLY ACTIVITIES 017-420-1399-4300 DAY CAMP WEEKLY ACTIVITIES 017-420-1399-4300 DAY CAMP WEEKLY ACTIVITIES 017-420-1399-4300	182.23 43.51 57.74	
					Total :	283.48	
111802	11/2/2015	103193 SNAP-ON INDUSTRIAL	ARV/27031699	11264	VEHICLE DIAGNOSTIC TOOL 041-320-3661-4450 041-320-3661-4450	4,655.12 442.24	
					Total :	5,097.36	
111803	11/2/2015	103205 THE GAS COMPANY	09062064002		GAS - 120 MACNEIL (09/04/15-10/06/15) 070-381-0000-4210 072-360-0000-4210 001-390-0420-4210	0.31 0.31 0.62	
					Total :	1.24	
111804	11/2/2015	103510 V & V MANUFACTURING, INC.	41808		RETIREMENT BADGE 001-222-0000-4300	145.86	
					Total :	145.86	
111805	11/2/2015	103534 VALLEY LOCKSMITH	3022		LOCKS INSTALLED IN LIVSCAN ROOM 001-222-0000-4320	619.93	
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111805	11/2/2015	103534 103534 VALLEY LOCKSMITH	(Continued)			Total :	619.93	
111806	11/2/2015	103730 X-ERGON	20949735		STEEL CUTTING WHEELS 041-320-0000-4300	Total :	290.88 290.88	
111807	11/2/2015	103752 ZUMAR INDUSTRIES, INC.	0161227		SIGN REPLACEMENT 001-370-0301-4300	Total :	102.34 102.34	
111808	11/2/2015	103903 TIME WARNER CABLE	8448200540010369 8448200540028882 8448200540196309 8448200540222204		CABLE - 10/18/15-11/17/15 001-222-0000-4260 CABLE 10/13/15-11/12/15 001-420-0000-4260 INTERNET SERVICES 10/23-11/22 001-190-0000-4220 CABLE - 120 MACNEIL 043-390-0000-4260	Total :	191.03 172.91 1,100.00 90.20 1,554.14	
111809	11/2/2015	887270 AMERICAN TRANSPORTATION SYSTEM	53317 53318		TRANSPORTATION SERVICES FROM U 007-440-0443-4260 TRANSPORTATION SERVICES CCHS H 007-440-0443-4260	Total :	403.51 403.51 807.02	
111810	11/2/2015	887575 SAN FERNANDO EXPLORER POST 521	REIMB.		REIMB OF EXPLORERS' ACTIVITIES EX 001-226-0230-4430	Total :	2,049.87 2,049.87	
111811	11/2/2015	887663 ARMORCAST PRODUCT COMPANY	0170000-IN		WATER METER BOXES & COVERS W/H 070-383-0301-4300	Total :	2,288.83 2,288.83	
111812	11/2/2015	887810 CALGROVE RENTALS, INC.	59426		CORE DRILLS RENTAL 070-384-0000-4250	Total :	473.85 473.85	
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111813	11/2/2015	887952 J. Z. LAWMOWER SHOP	12064		TRIMMER LINE & MIX OIL 041-320-0000-4320	Total :	40.17 40.17	
111814	11/2/2015	888241 UNITED SITE SERVICES OF CA INC	114-3353206		PORTABLE TOILET RENTAL FOR 5K RE 017-420-1395-4260	Total :	493.02 493.02	
111815	11/2/2015	888296 CHIEF SUPPLY CORPORATION	378322 378323 384548		RAIN GEAR 001-222-0000-4300 RAIN GEAR 001-222-0000-4300 RAIN GEAR 001-222-0000-4300	Total :	502.99 65.24 364.17 932.40	
111816	11/2/2015	888356 ADVANCED AUTO REPAIR BODY &	1282 1285		REPLACE BROKEN WINDSHIELD-PD30 041-320-0225-4400 REPLACE SHIFTER - PW2116 041-320-0370-4400	Total :	150.00 95.00 245.00	
111817	11/2/2015	888430 3M	TP65438	11269	ALPR MAINTENANCE AGREEMENT 001-135-0000-4260	Total :	1,800.00 1,800.00	
111818	11/2/2015	888442 WESTERN EXTERMINATOR COMPANY	3527802 3527803 3527805 3527809 3527810 3564832		BAIT MONITORING @ LP PARK 043-390-0000-4260 PEST CONTROL @ LP PARK 043-390-0000-4260 PEST CONTROL @ RUDY ORTEGA PAF 043-390-0000-4260 BAIT MONITORING @ REC PARK 043-390-0000-4260 PEST CONTROL @ REC PARK 043-390-0000-4260 PEST CONTROL @ CITY HALL	Total :	156.00 52.00 53.00 65.50 75.50	
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111818	11/2/2015	888442 WESTERN EXTERMINATOR COMPANY	(Continued)		043-390-0000-4260	82.50		
					Total :	484.50		
111819	11/2/2015	888468 MAJOR METROPOLITAN SECURITY	1073659		ALARM MONITORING - NOV 2015	15.00		
			1073660		043-390-0000-4260	15.00		
			1073661		ALARM MONITORING - NOV 2015	15.00		
			1073662		043-390-0000-4260	15.00		
			1073663		ALARM MONITORING - NOV 2015	15.00		
			1073664		043-390-0000-4260	15.00		
			1073665		ALARM MONITORING - NOV 2015	15.00		
			1073666		070-381-0450-4260	15.00		
			1073667		ALARM MONITORING - NOV 2015	15.00		
			1073668		043-390-0000-4260	15.00		
			1073669		ALARM MONITORING - NOV 2015	15.00		
			1073670		043-390-0000-4260	15.00		
			1073671		ALARM MONITORING - NOV 2015	23.00		
			1073672		070-384-0000-4260	23.00		
					ALARM MONITORING - NOV 2015	23.00		
					070-384-0000-4260	23.00		
					Total :	234.00		
111820	11/2/2015	888614 A & M CATERING LLC	1587		LP CLUB THANKSGIVING DINNER	4,905.00		
					004-2380			
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111820	11/2/2015	888614 A & M CATERING LLC	(Continued)			4,905.00		
					Total :	4,905.00		
111821	11/2/2015	888646 HD SUPPLY WATER WORKS, LTD	E494965		METER BOXES, COVERS W/HINGED LI	1,124.88		
			E527233		070-383-0301-4300	1,124.62		
			E555769		METER BOXES, COVERS W/HINGED LI	105.49		
			E585602		070-383-0301-4300	894.77		
			E593129		COUPLINGS	2,288.02		
			E626769		070-385-0000-4600	-155.33		
					TOP SECTIONS, MEGALUGS & RANGEI			
					070-385-0000-4600			
					CREDIT - ITEM RETURNED			
					070-383-0301-4300			
					Total :	5,382.45		
111822	11/2/2015	888800 BUSINESS CARD	092315		5K T-SHIRTS	261.27		
			092415		017-420-1395-4300	1,497.56		
			100115		SUPPLIES FOR 5K RELAY	8.58		
			100715		017-420-1395-4300	500.00		
			100815		HEALTHY SF PROMOTION	172.00		
			101215		017-420-1395-4260	281.17		
			101215		ANNUAL SUBSCRIPTION FOR PROGR#	169.00		
			101215		001-105-0000-4260	122.74		
			101315		001-420-0000-4260	181.22		
			101315		DVD DUPLICATOR FOR PD	100.00		
					001-222-0000-4300	523.40		
					WEB HOSTING - OCT 2015			
					001-190-0000-4260			
					CIF - FRESH JUICE FOR SF BEAUTIFIC			
					053-101-0111-4430			
					CIF - FOOD & SUPPLIES FOR ST			
					053-101-0111-4430			
					SECURITY FOR SFRCs.COM - OCT 201			
					001-420-0000-4260			
					EMPLOYEE ID HOLDERS & LANYARDS			
					001-106-0000-4300			
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111822	11/2/2015	888800 BUSINESS CARD	(Continued) 101315		COFFEE 053-101-0111-4430	29.90	
			101515		IPAD KEYBOARD REPLACEMENT 001-101-0000-4300	92.97	
			101515		LARGE CEREMONIAL CHECK 001-420-0000-4260	177.38	
			101615		DISASTER DRILL LUNCH 001-310-0000-4360	517.39	
			101915		POST MANAGEMENT TRAINING 001-225-0000-4360	564.04	
			102015		POST MANAGEMENT TRAINING ON 09/ 001-225-0000-4360	704.40	
			102015		POST MANDATED SUPERVISOR TRAIN 001-225-0000-4360	20.60	
			102115		DINNER FOR SPECIAL COUNCIL MTG 001-101-0000-4300	37.06	
					Total :	5,960.68	
111823	11/2/2015	889043 ALADIN JUMPERS	032015		ITEMS RENTED FOR HEALTHY SF EVE 017-420-1395-4260	230.00	
			092215		ITEMS RENTED FOR 5K EVENT 017-420-1395-4260	1,087.50	
					Total :	1,317.50	
111824	11/2/2015	889095 LAFD - C.U.P.A.	IN0246414		HAZMAT GENERAL FACILITY SERVICE 001-222-0000-4320	61.00	
					Total :	61.00	
111825	11/2/2015	889118 LDI COLOR TOOLBOX	1019683		COPIES & MAINT CONTRACT 001-222-0000-4260	268.15	
			1019684		COPIES & MAINT CONTRACT 001-222-0000-4260	365.26	
					Total :	633.41	
111826	11/2/2015	889149 STAPLES BUSINESS ADVANTAGE	8036270572		BREAK ROOM SUPPLIES 001-190-0000-4300	81.91	
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111826	11/2/2015	889149 889149 STAPLES BUSINESS ADVANTAGE	(Continued)			Total : 81.91	
111827	11/2/2015	889195 LEAL, LAURA	2000209.001		VOLLEYBALL REFUND 017-3770-1334	25.00	
					Total :	25.00	
111828	11/2/2015	889328 FIRST TRANSIT, INC.	11139968	11282	CITY TRANSIT AND CITY TROLLEYS 007-440-0442-4260	40,989.77	
					Total :	40,989.77	
111829	11/2/2015	889345 BSN SPORTS INC	97271882		1" SPRINKLER 017-420-1328-4300	94.55	
			97297037		VOLLEYBALL ANTENNA/NET 017-420-1328-4300	191.88	
					Total :	286.43	
111830	11/2/2015	889473 GUTIERREZ, MIRIAM	REIMB.		CCAG WORKSHOP LODGING REIMB. 001-115-0000-4370	202.26	
					Total :	202.26	
111831	11/2/2015	889532 GILMORE, REVA.A.	10/03/15 - 10/16/15		FOOD SERVICE MANAGER 115-422-3750-4270	533.00	
					115-422-3752-4270	84.50	
					Total :	617.50	
111832	11/2/2015	889533 MARTINEZ, ANITA	10/03/15 - 10/16/15		FOOD SERVICE INTAKE CLERK 115-422-3750-4270	189.00	
					Total :	189.00	
111833	11/2/2015	889535 GOMEZ, GILBERT	10/03/15 - 10/16/15		HDM DRIVER 115-422-3752-4270	162.00	
					115-422-3752-4390	46.80	
					Total :	208.80	
111834	11/2/2015	889644 VERIZON BUSINESS	74655879		CITY HALL LONG DISTANCE 001-190-0000-4220	50.26	
			74655880		CITY YARD LONG DISTANCE 070-384-0000-4220	14.56	
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111834	11/2/2015	889644 VERIZON BUSINESS	(Continued) 74655881		CITY HALL LONG DISTANCE & INTRAL/	25.03		
			74655882		001-190-0000-4220 POLICE LONG DISTANCE			
			74655883		001-222-0000-4220 CITY YARD LONG DISTANCE	104.50		
			74655884		070-384-0000-4220 PARK LONG DISTANCE	9.71		
			74656441		001-420-0000-4220 ENGINEERING LONG DISTANCE	14.81		
			74656454		001-310-0000-4220 CITY HALL LINES	4.94		
			74656455		001-190-0000-4220 POLICE LONG DISTANCE	57.12		
					001-222-0000-4220	0.12		
					Total :	281.05		
111835	11/2/2015	889681 VILLALPANDO, MARIA	10/03/15 - 10/16/15		FOOD SERVICE WORKER	225.00		
					115-422-3750-4270	45.00		
					115-422-3752-4270			
					Total :	270.00		
111836	11/2/2015	889935 STEINBERG, STEVE	09/28/15 - 11/06/15		SENIOR AEROBICS INSTRUCTOR	1,428.00		
					017-420-1322-4260			
					Total :	1,428.00		
111837	11/2/2015	889942 ATHENS SERVICES	1413493		STREET SWEEPING SERVICES - OCT 2			
				11251	001-343-0000-4260	1,995.44		
				11251	011-311-0000-4260	10,629.56		
					Total :	12,625.00		
111838	11/2/2015	890095 O'REILLY AUTO PARTS	4605-151347		FLOOR MATS & CLEANERS - PW3241	47.93		
					041-320-0335-4400			
					Total :	47.93		
111839	11/2/2015	890254 BMI	2015-3		ANNUAL MUSIC LICENSE AGREEMENT	335.00		
					001-424-0000-4260			
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111839	11/2/2015	890254 890254 BMI	(Continued)				Total : 335.00	
111840	11/2/2015	890543 MUNISERVICES, LLC	0000039223		CAFR REPORT			
					001-130-0000-4270	975.00		
					Total :	975.00		
111841	11/2/2015	890594 HEALTH AND HUMAN RESOURCE	130595		EAP - NOV 2015			
					001-106-0000-4260	235.30		
					Total :	235.30		
111842	11/2/2015	890833 THOMSON REUTERS	832626757		LA CLEAR - INVEST TOOL			
					001-224-0000-4270	165.96		
					Total :	165.96		
111843	11/2/2015	890834 SPARKLING IMAGE CORP	64223		CAR WASHES - SEPT 2015			
					001-222-0000-4320	105.00		
					Total :	105.00		
111844	11/2/2015	890838 BLUE TARP FINANCIAL	33724146		SMALL TOOLS - CHAINSAW			
			33879128		043-390-0000-4340 WHEEL BARROW TIRES - PK3325	84.99		
					041-320-0000-4400	119.96		
					Total :	204.95		
111845	11/2/2015	890843 NGOV, CHHIV	09/28/15 - 11/06/15		SENIOR CITIZEN YOGA 1ST SESSION	720.00		
					017-420-1322-4260			
					Total :	720.00		
111846	11/2/2015	890879 EUROFINs EATON ANALYTICAL, INC	L0235388		WATER ANALYSIS FOLDERS			
			L0235552		070-384-0000-4260 WATER ANALYSIS FOLDERS	164.00		
			L0235563		070-384-0000-4260 WATER ANALYSIS FOLDERS	139.60		
			L0235664		070-384-0000-4260 WATER ANALYSIS FOLDERS	139.60		
			L0236265		070-384-0000-4260 WATER ANALYSIS - F556334	139.60		
					070-384-0000-4260	164.00		
					Total :	646.80		
						Page:	18	

vchlist		Voucher List				Page:	19
11/02/2015	1:43:32PM	CITY OF SAN FERNANDO					
Bank code : bank							
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
111846	11/2/2015	890879 890879 EUROFINS EATON ANALYTICAL, INC	(Continued)			Total : 746.80	
111847	11/2/2015	890897 EVAN BROOKS ASSOCIATES, INC	150010-3	11277	CONTRACT PLANNER SERVICERS - SE	5,820.00	
			15008-2	11277	001-150-0000-4270	5,400.00	
			15009-2	11277	CONTRACT PLANNER SERVICERS - AL	5,400.00	
					001-150-0000-4270	Total : 16,620.00	
111848	11/2/2015	890970 WEX BANK	42425928		FUEL FOR FLEET		
					072-360-0000-4402	468.65	
					041-320-0222-4402	181.23	
					041-320-0370-4402	440.88	
					041-320-0371-4402	150.25	
					041-320-0390-4402	1,070.96	
					007-313-3630-4402	1,333.38	
					027-344-0000-4402	132.26	
					029-335-0000-4402	341.63	
					070-381-0000-4402	22.49	
					070-382-0000-4402	190.38	
					070-383-0000-4402	986.97	
					070-384-0000-4402	253.72	
					041-320-0152-4402	481.76	
					041-320-0221-4402	220.45	
					041-320-0224-4402	729.25	
					041-320-0225-4402	4,096.79	
					041-320-0228-4402	481.60	
					041-320-0311-4402	886.70	
					041-320-0320-4402	169.68	
					Total : 12,639.03		
111849	11/2/2015	891253 SAN FERNANDO SMOG TEST ONLY	3834		SMOG TEST - 1174550		
			3835		041-320-0000-4450	50.00	
			3839		SMOG TEST - 1194739		
					041-320-0000-4450	50.00	
					SMOG TEST - 1313579		
Page: 19							

vchlist		Voucher List				Page:	20
11/02/2015	1:43:32PM	CITY OF SAN FERNANDO					
Bank code : bank							
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
111849	11/2/2015	891253 SAN FERNANDO SMOG TEST ONLY	(Continued)				
			3840		041-320-0224-4450	50.00	
			3841		SMOG TEST - 1033434		
					041-320-0000-4450	50.00	
			3842		SMOG TEST - 1108442		
					041-320-0000-4450	50.00	
			3843		SMOG TEST - 1259769		
					041-320-0000-4450	50.00	
			3844		SMOG TEST - 1171553		
					041-320-0000-4450	50.00	
			3845		SMOG TEST - 1473095		
					041-320-0224-4450	50.00	
			3861		SMOG TEST - 4KXV296		
					041-320-0224-4450	50.00	
			3864		SMOG TEST - 400733		
					041-320-0000-4450	50.00	
			3865		SMOG TEST - 1086145		
					041-320-0000-4450	50.00	
			3866		SMOG TEST - 1155204		
					041-320-0000-4450	50.00	
			3868		SMOG TEST - 1313578		
					041-320-0000-4450	50.00	
					SMOG TEST - 1101645		
					041-320-0000-4450	50.00	
					Total : 700.00		
111850	11/2/2015	891270 SARGSYAN, NAREH	09/20/15 - 10/17/15		PILATES INSTRUCTOR		
					017-420-1337-4260	20.00	
					Total : 20.00		
111851	11/2/2015	891301 BERNARDEZ, RENATE Z.	379		INTERPRETATION SERVICES FORTOD		
					001-150-0000-4270	300.00	
					Total : 300.00		
111852	11/2/2015	891311 TORRES, RITA	10/03/15 - 10/16/15		ENP SUBSTITUTE		
					115-422-3750-4270	81.00	
					115-422-3752-4270	9.00	
Page: 20							

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11/02/2015	1:43:32PM	CITY OF SAN FERNANDO					
Bank code : bank							
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
111852	11/2/2015	891311 891311 TORRES, RITA	(Continued)			Total :	90.00
111853	11/2/2015	891377 REYES, JOSE	10/03/15 - 10/16/15		HDM DRIVER 115-422-3752-4270 115-422-3752-4390	Total :	180.00 62.40 242.40
111854	11/2/2015	891531 WILLDAN ENGINEERING	00320069		PROFESSIONAL SERVICES - AUG 2015 001-310-0000-4270	Total :	2,025.00 2,025.00
111855	11/2/2015	891570 INNOVATIVE TELECOM. SYSTEMS	1630		NEW PHONE AND INSTALLAITON @ LP 001-420-0000-4220 001-222-0000-4220	Total :	337.35 420.00 757.35
111856	11/2/2015	891622 FARMER BROTHERS	62464977		BREAK ROOM SUPPLIES 001-222-0000-4300	Total :	228.39 228.39
111857	11/2/2015	891718 REAL, MARY	321453 321467 321468		SENIOR TRIP REFUND 004-2384 SENIOR TRIP REFUND 004-2384 SENIOR TRIP REFUND 004-2383	Total :	40.00 40.00 80.00 160.00
111858	11/2/2015	891738 KNIGHT COMMUNICATIONS INC	2010577	11249	INFORMATION TECHNOLOGY MANAGE 001-135-0000-4270	Total :	10,000.00 10,000.00
111859	11/2/2015	891741 L.J. LE BLANC	15-016		ON-CALL ENGINEERING SERVICES 001-310-0000-4270	Total :	756.00 756.00
111860	11/2/2015	891766 RODRIGUEZ, PATRICIA	09/20/15 - 10/17/15		LATIN JAM WORKOUT 017-420-1337-4260	Total :	80.00 80.00
							Page: 21

vchlist		Voucher List				Page: 22	
11/02/2015	1:43:32PM	CITY OF SAN FERNANDO					
Bank code : bank							
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
111860	11/2/2015	891766 891766 RODRIGUEZ, PATRICIA	(Continued)			Total :	80.00
111861	11/2/2015	891767 CHAVEZ, ELIZABETH	09/20/15 - 10/17/15		ZUMBA INSTRUCTOR 017-420-1337-4260	Total :	80.00 80.00
111862	11/2/2015	891777 IRRIGATION EXPRESS	15028324-00 15030036-00 15030205-00 15030265-00 15030597-00 15030866-00		MAT'LS FOR LANDSCAPE @ 120 MACN 043-390-0000-4300 PARTS FOR AIR VAC WELL 4A 070-384-0301-4300 NITGRATE SITE TUBE PIPING 070-384-0000-4330 CREDIT - ITEM RETURNED 070-384-0000-4330 PARTS FOR AIR-VAC AT WELL 7A 070-384-0301-4300 MAT'LS FOR LANDSCAPE MAINT @ PIC 043-390-0000-4300	Total :	21.34 267.64 82.58 -28.77 256.26 196.61 795.66
111863	11/2/2015	891796 BATTERY SYSTEMS INC	2326017		BATTERY - WA8095 070-383-0000-4400	Total :	47.93 47.93
111864	11/2/2015	891836 OLIVAREZ MADRUGA, LLP	13162 13221		LEGAL SERVICES 001-110-0000-4270 LEGAL SERVICES 001-110-0000-4270	Total :	17,080.21 55,608.18 72,688.39
111865	11/2/2015	891852 SPITZZERI, PAUL R	2015-3		LOPEZ ADOBE CONSULTANT 001-424-0000-4260	Total :	1,250.00 1,250.00
111866	11/2/2015	891885 GANIR-MARTINEZ, ARLENE	09/20/15 - 10/17/15		YOGA INSTRUCTOR 017-420-1337-4260	Total :	80.00 80.00
							Page: 22

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11/02/2015	1:43:32PM	CITY OF SAN FERNANDO						
Bank code :		bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount		
111867	11/2/2015	891905 OLIMPIO, SONIA	09/20/15 - 10/17/15		ZUMBA INSTRUCTOR 017-420-1337-4260	160.00	Total : 160.00	
111868	11/2/2015	891926 IMPACT BASKETBALL INC.	093015	11278	SUMMER YOUTH BASKETBALL SEASO 017-420-1328-4300	2,013.38	Total : 2,013.38	
111869	11/2/2015	891969 ADVANCED PURE WATER SOLUTIONS	36495711-1115		DRINKING WATER 001-222-0000-4300	102.33	Total : 102.33	
111870	11/2/2015	891993 HERNANDEZ, ALBINO	09/20/15 - 10/17/15		TOTAL BODY CONDITIONING & CYCLIN 017-420-1337-4260	100.00	Total : 100.00	
111871	11/2/2015	892024 SKY BLUEPRINT	B21915		BRAND BLVD PROJ SIGN 001-310-0000-4270	490.50	Total : 490.50	
111872	11/2/2015	892025 PACIFIC TRAFFIC CONTROL, INC	8333		5K RUN DELINEATOR RENTALS 017-420-1395-4260	620.00	Total : 620.00	
111873	11/2/2015	892026 KTB CONSTRUCTION	NO. 1	11283	BRAND BLVD WATERWISE LANDSCAPI 032-311-0178-4600 032-2037	41,400.00 -4,140.00	Total : 37,260.00	
111874	11/2/2015	892027 ELECTRIC CONVERSIONS	15120		CHARGER REPAIR - PK2769 041-320-0000-4400	179.66	Total : 179.66	
111875	11/2/2015	892028 AHUMADA, ALEJANDRA	REIMB.		REIMB OF ART SUPPLIES PURCHASEC 001-420-0000-4300	141.46	Total : 141.46	
111876	11/2/2015	892029 TREJO, JUAN A.	2000210.001		VOLLEYBALL REFUND			
						Page:	23	

vchlist		Voucher List				Page:	24	
11/02/2015	1:43:32PM	CITY OF SAN FERNANDO						
Bank code :		bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount		
111876	11/2/2015	892029 TREJO, JUAN A.	(Continued)		017-3770-1334	180.00	Total : 180.00	
111877	11/2/2015	892030 PUC-NUEVA ESPERANZA	102315		5K REWARDS PROGRAM 017-420-1395-4260	670.00	Total : 670.00	
111878	11/2/2015	892031 100 CITIZENS CLUB	102315		5K REWARDS PROGRAM 017-420-1395-4260	1,380.00	Total : 1,380.00	
111879	11/2/2015	892032 KUHFUSS, DESIREE	09/20/15-10/17/15		MAT PILATES INSTRUCTOR 017-420-1337-4260	20.00	Total : 20.00	
111880	11/2/2015	892033 A PANORAMA FLOWERS	082715		SENIOR CLUB PLANTS 004-2380	451.19	Total : 451.19	
111881	11/2/2015	892034 FLORES, HENRIETTA	757278		SENIOR CLUB TRIP REFUND 004-2384	20.00	Total : 20.00	
111882	11/2/2015	892035 SALAZAR, FRANCISCA	321507 757221		SENIOR TRIP REFUND 004-2384 SENIOR TRIP REFUND 004-2384	130.00 20.00	Total : 150.00	
111883	11/2/2015	892036 ROTHSCHILD, DEBORAH	09/28/15 - 11/06/15		SENIOR CITIZEN DANCE & STRETCH 017-420-1322-4260	600.00	Total : 600.00	
111884	11/2/2015	892037 VILLAGOMEZ, RICARDO	71001334		PARKING CITATION REFUND 001-3430-0000	40.00	Total : 40.00	
						Page:	24	

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11/02/2015 1:43:32PM

Voucher List
CITY OF SAN FERNANDO

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Bank code : bank

<u>Voucher</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>PO #</u>	<u>Description/Account</u>	<u>Amount</u>
124		Vouchers for bank code : bank				Bank total : 361,486.66
124		Vouchers in this report				Total vouchers : 361,486.66

Voucher Registers are not final until approved by Council.

RESOLUTION NO. 15-112

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO ALLOWING AND APPROVING FOR PAYMENT DEMANDS PRESENTED ON DEMAND/ WARRANT REGISTER NO. 15-112

THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

1. That the demands (EXHIBIT "A") as presented, having been duly audited, for completeness, are hereby allowed and approved for payment in the amounts as shown to designated payees and charged to the appropriate funds as indicated.

2. That the City Clerk shall certify to the adoption of this Resolution and deliver it to the City Treasurer.

PASSED, APPROVED, AND ADOPTED this 16th day of November, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 16th day of November, 2015, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

EXHIBIT "A"

vchlist		Voucher List			Page: 1	
11/10/2015 10:04:12AM		CITY OF SAN FERNANDO				
Bank code : bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111889	11/16/2015	100050 ACE INDUSTRIAL SUPPLY	1471834		DEPT SUPPLIES 041-320-0000-4300	398.58 398.58
111890	11/16/2015	100066 ADS ENVIRONMENTAL SERVICES,INC	12984.22-1015	11266	FY 15-16 DESIGN, INSTALLATION & MO 072-360-0000-4260	1,555.00 1,555.00
111891	11/16/2015	100070 ADVANCED ELECTRONICS INC.	0155877-IN 0156151-IN 0156152-IN 0156509-IN 0156510-IN	11262 11263 11263 11239	CABLE REPAIR FOR UNIT #27 001-222-0000-4320 MICROWAVE FOR VIRTUAL PATROL 001-135-0000-4500 001-135-0000-4500 PTP MICROWAVE EQUIPMENT FOR VIF 001-135-0000-4500 001-222-0000-4320 PTP LINK RENTAL - NOV 2015 001-420-0000-4260 COMPUTER MAINTENANCE - NOV 2015 001-135-0000-4260	262.50 8,093.62 721.00 5,500.00 4,097.46 272.50 6,761.57 25,708.65
111892	11/16/2015	100101 VERIZON WIRELESS-LA	270693253 561407019 660629692		PLANNING CELL PHONES 001-140-0000-4220 CITY YARD CELL PHONE & USB MODEM 070-384-0000-4220 043-390-0000-4220 041-320-0000-4220 072-360-0000-4220 001-130-0000-4220 VARIOUS CELL PHONES 001-106-0000-4220 070-384-0000-4220	5.40 59.89 22.44 22.44 0.22 33.21 39.33 82.22 265.15
111893	11/16/2015	100143 ALONSO, SERGIO	OCT 2015		MMAP INSTRUCTOR	

vchlist		Voucher List			Page: 2	
11/10/2015 10:04:12AM		CITY OF SAN FERNANDO				
Bank code : bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111893	11/16/2015	100143 ALONSO, SERGIO	(Continued)		109-424-3637-4260	800.00 800.00
111894	11/16/2015	100191 ANGELES SHOOTING RANGE	110215 9502		SHOOTING RANGE TRAINING ON 11/02 001-225-0000-4360 SHOOTING RANGE TRAINING ON 10/20 001-225-0000-4360	75.00 75.00 150.00
111895	11/16/2015	100222 ARROYO BUILDING MATERIALS, INC	156287 156288 156416 156501		SAND 001-311-0000-4300 BAG CEMENT 001-311-0000-4300 CONCRETE COLOR 001-311-0000-4300 DUCT TAPE & SHUR TAPE 001-311-0000-4300	30.11 69.49 11.10 39.22 149.92
111896	11/16/2015	100514 CSMFO	2016 DUES		2016 MEMBERSHIP DUES - MEMBER N 001-130-0000-4380	110.00 110.00
111897	11/16/2015	100731 CITY OF LOS ANGELES	74WP160000027 74WP160000028	11240 11241	FY 15-16 O&M PORTION OF ASSSC 072-360-0000-4260 FY 15-16 CAPITAL PORTION OF ASSSC 072-365-0000-4600	160,472.00 208,075.00 368,547.00
111898	11/16/2015	100805 COOPER HARDWARE INC.	97784 97819 97865 97876		RIGID T CONDUIT FOR WELL 7A 070-384-0301-4300 ELECTRICAL MERCHANDISE FOR WEL 070-384-0301-4300 ELECTRICAL TOOL 070-384-0000-4320 MAT'LS TO REPAIR FENCE @ 501 1ST	17.42 37.27 44.13

vchlist		Voucher List				Page:	3	
11/10/2015	10:04:12AM	CITY OF SAN FERNANDO						
Bank code :		bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount		
111898	11/16/2015	100805 COOPER HARDWARE INC.	(Continued)					
			97895		043-390-0000-4300 CONDUIT, LIQUIDTIGHT, NUTS, BOLTS &	21.79		
			97908		070-384-0301-4300 WRENCH LUBE SPRAY	21.43		
			97934		027-344-0301-4300 FLY TRAPS, STENCIL KITS, WATER CO	5.77		
			97935		001-311-0000-4300 LOCKS & KEYS	77.23		
					001-311-0000-4300	106.44		
					Total :	331.48		
111899	11/16/2015	100810 COPWARE, INC.	83158		2016 CA CODES FOR 26-35 SWORN OF	300.00		
					001-222-0000-4260			
					Total :	300.00		
111900	11/16/2015	100960 DIEDIKER, VIRGINIA	REIMB.		REIMB FOR ART SUPPLIES PURCHASE	270.05		
					004-2359			
					Total :	270.05		
111901	11/16/2015	101147 FEDEX	5-208-60472		COURIER SERVICE	53.68		
					001-190-0000-4280			
					Total :	53.68		
111902	11/16/2015	101302 VERIZON	8181811075		CITY HALL PAGING	42.10		
			8183612385		001-190-0000-4220 MTA PHONE LINE			
					007-440-0441-4220	106.80		
					001-190-0000-4220	53.40		
			8183616728		ENGINEERING FAX LINE			
					001-310-0000-4220	27.52		
			8183617825		HERITAGE PARK IRRIG SYSTEM			
					001-420-0000-4220	53.39		
			8183655097		PD NARCOTICS VAULT			
					001-222-0000-4220	26.64		
			8188372296		VARIOUS CITY HALL PHONE LINES			
					001-190-0000-4220	284.32		
						Page:	3	

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11/10/2015	10:04:12AM	CITY OF SAN FERNANDO						
Bank code :		bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount		
111902	11/16/2015	101302 VERIZON	(Continued)					
			8188987385		LP FAX LINE	26.62		
					001-420-0000-4220			
					Total :	620.79		
111903	11/16/2015	101376 GRAINGER, INC.	9872609087		HAND SANITIZER REFILLS FOR BUILDI	67.43		
			9878679126		043-390-0000-4300 BIKEWAY SOLAR LIGHTS	210.24		
			9879054105		043-390-0000-4300 REC PARK KIOSK LIGHTING	268.39		
					043-390-0000-4300			
					Total :	546.06		
111904	11/16/2015	101434 GUZMAN, JESUS ALBERTO	OCT 2015		MMAPI INSTRUCTOR	1,800.00		
					109-424-3637-4260			
					Total :	1,800.00		
111905	11/16/2015	101436 HACH COMPANY	9642525		NITRATE TEST KIT	202.73		
					070-384-0000-4310			
					Total :	202.73		
111906	11/16/2015	101512 HDL, COREN & CONE	0022077-IN		CONTRACT SERVICE PROPERTY TAX (1,375.00		
					001-130-0000-4270			
					Total :	1,375.00		
111907	11/16/2015	101528 THE HOME DEPOT CRC, ACCT#603532202490	1036138		FLASHLIGHTS	62.35		
			2271805		001-311-0000-4300 TRASH BAGS			
					001-341-0301-4300	1,055.00		
			3035919		IMPACT WRENCH, TIN SAW KIT, DRIVE	304.34		
					070-383-0000-4340			
			3035920		SAWZALL, ANGLE GRINDER, STEPBITS	406.60		
					070-383-0000-4340			
			5064346		SUPPLIES FOR FACILITIES	106.93		
					043-390-0000-4300			
			5064347		SMALL TOOLS - IMPACT WRENCH	123.79		
					043-390-0000-4340			
						Page:	4	

vchlist		Voucher List				Page:	5	
11/10/2015	10:04:12AM	CITY OF SAN FERNANDO						
Bank code :		bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount		
111907	11/16/2015	101528 THE HOME DEPOT CRC, ACCT#603532202490	(Continued) 9833062		CHAIN SAW 043-390-0000-4340	294.29		
						Total :	2,353.30	
111908	11/16/2015	101599 IMAGE 2000 CORPORATION	VN479020		ASCEP FREIGHT COST FOR TONER 103-420-0000-4260	10.50		
			VN482057		104-420-0000-4260 VARIOUS COPIERS CONTRACT USAGE 103-420-0000-4260	10.50 11.61		
					104-420-0000-4260 001-135-0000-4260 072-360-0000-4450 001-135-0000-4260	11.62 802.78 30.25 96.76		
						Total :	974.02	
111909	11/16/2015	101647 INTERSTATE BATTERY	30064992		BATTERY FOR FLEET 041-1215	132.44		
						Total :	132.44	
111910	11/16/2015	101852 LARRY & JOE'S PLUMBING	2660556-0001-02		BRAND MEDIAN WATER METER RELOC 070-385-0000-4600	195.00		
						Total :	195.00	
111911	11/16/2015	101920 LIEBERT CASSIDY WHITMORE	111815		ERC WORKSHOP ON 11/18/15 001-106-0000-4360	35.00		
					001-130-0000-4360 072-360-0000-4360 043-390-0000-4360 070-381-0000-4360 001-222-0000-4360 001-224-0000-4360 001-225-0000-4360	35.00 35.00 70.00 35.00 35.00 35.00 35.00		
						Total :	315.00	
111912	11/16/2015	101957 CITY OF LOS ANGELES	38SF160000002		FIRE SERVICES - AUG 2015 001-500-0000-4260	227,726.75		
						Total :	227,726.75	
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111912	11/16/2015	101957 CITY OF LOS ANGELES	(Continued) 38SF160000003		FIRE SERVICES - SEPT 2015 001-500-0000-4260	227,726.75		
			38SF160000004		FIRE SERVICES - OCT 2015 001-500-0000-4260	227,726.75		
						Total :	683,180.25	
111913	11/16/2015	101990 L.A. COUNTY METROPOLITAN	800061861		TAP CARDS - SEPT 2015 007-440-0441-4260	1,240.00		
						Total :	1,240.00	
111914	11/16/2015	102006 LOS ANGELES COUNTY	FILE 3641507200113		COURT CASE 08K30896 - LEVY ON ANY 001-310-0000-4111	50.00		
						Total :	50.00	
111915	11/16/2015	102012 LOS ANGELES COUNTY	2508-002-270		2015-2016 PROPERTY TAXES - WELL 3 070-381-0000-4450	134.14		
			2508-005-270		2015-2016 PROPERTY TAXES - WELL 2 070-381-0000-4450	149.39		
			2508-005-271		2015-2016 PROPERTY TAXES - WELL 2 070-381-0000-4450	99.13		
			2509-014-270		2015-2016 PROPERTY TAXES - WELL 4 070-381-0000-4450	2,618.76		
			2509-015-270		2015-2016 PROPERTY TAXES - RESERVA 070-381-0000-4450	856.96		
			2517-023-270		2015-2016 PROPERTY TAXES - 2005 FC 043-390-7500-4450	3,031.27		
						Total :	6,889.65	
111916	11/16/2015	102075 MAG-TROL ASSOCIATES, INC.	1188542		WELL 2A DELAY TIMER 070-384-0301-4300	108.41		
						Total :	108.41	
111917	11/16/2015	102226 MISSION LINEN & UNIFORM	501157514		LAUNDRY 001-225-0000-4350	103.24		
			501184015		LAUNDRY 001-225-0000-4350	108.63		
						Total :	211.87	
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111917	11/16/2015	102226 MISSION LINEN & UNIFORM	(Continued) 501202472		LAUNDRY 001-225-0000-4350	120.77		
			501230166		LAUNDRY 001-225-0000-4350	69.11		
					Total :	401.75		
111918	11/16/2015	102264 MORA, RODRIGO	REIMB.		REIMB OF REG FOR WATER DIST OPEI 043-390-0000-4360	145.00		
					Total :	145.00		
111919	11/16/2015	102311 NATIONAL ASSOCIATION OF LATINO	12458		FY15/16 ANNUAL MEMBERSHIP 001-101-0109-4380	100.00		
					Total :	100.00		
111920	11/16/2015	102324 NEGRETE, CONNIE	REIMB.		REIMB OF DINNER PROVIDED FOR OF 001-222-0000-4300	109.45		
					Total :	109.45		
111921	11/16/2015	102325 NAPA AUTO PARTS	879048		SMALL TOOLS 041-320-0000-4340	43.79		
			880192		RATCHET & COMWRENCH 070-383-0000-4340	107.91		
			880315		HEX BITS & BLASTER 070-383-0000-4340	13.82		
			880316		WASHER PUMP - ME4957 041-320-0320-4400	25.15		
					Total :	190.67		
111922	11/16/2015	102432 OFFICE DEPOT	799245238001		CALENDARS, PENS, ENVELOPES, PLA 001-310-0000-4300	100.41		
			799245489001		NOTEBOOKS, MASKS, JOURNALS 001-310-0000-4300	76.05		
			800653351001		DAILY PLANNER, CALENDAR REFILLS 001-222-0000-4300	308.00		
			800796971001		TONERS 001-222-0000-4300	140.18		
					Total :	624.64		

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111922	11/16/2015	102432 OFFICE DEPOT	(Continued) 801440183001		FILE FOLDERS, STAPLER, PENS, CALE 001-106-0000-4300	58.69		
			801440580001		PAPER CLIPS 001-106-0000-4300	3.08		
			801440581001		SCISSORS 001-106-0000-4300	14.01		
			801491148001		PENS & TONER 001-222-0000-4300	144.52		
			801491317001		FOLDER FILES 001-222-0000-4300	25.17		
			801763151001		CALENDAR REFILL, TAPE, PENS, ETC 001-105-0000-4300	35.84		
			801763308001		NOTE PADS 001-105-0000-4300	3.09		
			801763309001		NOTEBOOK 001-105-0000-4300	16.74		
			802725225001		TONERS 001-222-0000-4300	140.05		
			802809900001		ENVELOPES, SORTER, STAPLES 001-222-0000-4300	54.82		
					Total :	1,120.65		
111923	11/16/2015	102506 PANTOJA, DANITZA	OCT 2015		COMMISSIONER'S REIMBURSEMENT 001-105-0000-4111	50.00		
					Total :	50.00		
111924	11/16/2015	102624 PITNEY BOWES	668819		MAINT FOR FOLDING MACHINE-- 070-381-0000-4320	337.35		
					072-360-0000-4320	337.35		
					Total :	674.70		
111925	11/16/2015	102738 QUINTERO ESCAMILLA, VIOLETA	OCT 2015		SENIOR MUSIC INSTRUCTOR 017-420-1323-4260	240.00		
					Total :	240.00		
111926	11/16/2015	102930 ROYAL WHOLESALE ELECTRIC	8901-720960		MAT'LS RELATED TO PD VIRTUAL PATF			

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111926	11/16/2015	102930 ROYAL WHOLESALE ELECTRIC	(Continued)		001-135-0000-4500	15.78		
					Total :	15.78		
111927	11/16/2015	103010 SAM'S CLUB DIRECT, #0402465855179	5430		CHIPS	12.44		
			5534		001-222-0000-4300	113.26		
					OFFICE SUPPLIES	42.16		
					115-422-3750-4300	99.52		
					004-2346	21.96		
			7850		004-2380	104.28		
					SENIOR CLUB REFRESHMENTS			
					004-2382			
					004-2380			
					Total :	393.62		
111928	11/16/2015	103029 SAN FERNANDO, CITY OF	16190-16203		REIMBURSEMENT TO WORKERS COM	8,572.44		
					006-1035			
					Total :	8,572.44		
111929	11/16/2015	103057 SAN FERNANDO VALLEY SUN	9321		PUBLICATION OF PUBLIC HEARING - L	56.25		
			9339		027-344-0000-4260	409.00		
			9340		SPLASH AND DASH DISPLAY AD	409.00		
					001-420-0000-4260	409.00		
			9354		SUMMER MOVIE/JAM DISPLAY AD	81.26		
					001-420-0000-4260			
			9359		PUBLICATION OF AD-SUN PHV3	409.00		
					001-115-0000-4230			
			9394		SUMMER CONCERT AD	409.00		
					001-420-0000-4260			
			9394		JAM DISPLAY AD	409.00		
					001-420-0000-4260			
			9423		DIA DE LOS MUERTOS AD	409.00		
					001-420-0000-4260			
					Total :	2,182.51		
111930	11/16/2015	103176 SIMS WELDING SUPPLY CO.	12131829		CYLINDER FILL CARBON DIOXIDE/ARG	84.98		
					041-320-0000-4320			
						Page:	9	

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111930	11/16/2015	103176 103176 SIMS WELDING SUPPLY CO.	(Continued)			84.98		
					Total :	84.98		
111931	11/16/2015	103202 SOUTHERN CALIFORNIA EDISON CO.	2-02-682-6982		ELECTRIC - 910 FIRST	5,648.56		
			2-02-682-7675		043-390-0000-4210	9,814.52		
			2-21-082-3241		ELECTRIC - VARIOUS LOCATIONS	3,693.81		
					043-390-0000-4210	15,263.61		
					ELECTRIC - VARIOUS LOCATIONS SEP	94.91		
					029-335-0000-4210	15,627.92		
					027-344-0000-4210			
					070-384-0000-4210			
			2-33-746-5215		043-390-0000-4210	607.56		
					ELECTRIC - 190 PARK			
					027-344-0000-4210			
					Total :	50,750.89		
111932	11/16/2015	103206 SOUTHERN CALIFORNIA GAS CO.	176-827-9753		NATURAL GAS FOR CNG STATION	4,255.24		
					041-320-3661-4402			
					Total :	4,255.24		
111933	11/16/2015	103218 SOLIS, MARGARITA	24-30		PETTY CASH REIMB	15.31		
					001-101-0000-4300	28.32		
					001-105-0000-4300	9.00		
					001-105-0000-4370	36.99		
					017-420-1395-4300	26.41		
					053-101-0111-4430	25.00		
					103-420-0000-4300	25.00		
					104-420-0000-4300	11.50		
					001-106-0000-4270			
					Total :	177.53		
111934	11/16/2015	103287 SUBWAY	47458		DINNER PROVIDED DURING PERIMETI	120.00		
					001-222-0000-4300			
					Total :	120.00		
111935	11/16/2015	103413 TRANS UNION LLC	10508025		CREDIT CHECKS	26.59		
					001-222-0000-4260			
					Total :	26.59		
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111936	11/16/2015	103444 ULTRA GREENS, INC	56369		LANDSCAPE MATERIAL 043-390-0000-4300	19.62	Total : 19.62	
111937	11/16/2015	103445 UNDERGROUND SERVICE ALERT	1020150677		(59) USA DIGALERT TICKETS 070-381-0000-4260	88.50	Total : 88.50	
111938	11/16/2015	103449 USA BLUE BOOK	775430		WELL 7A PRESSURE GUAGE & FLOW S 070-384-0301-4300	451.59	Total : 451.59	
111939	11/16/2015	103534 VALLEY LOCKSMITH	3044		RE-KEY TRUCK - EL1543 041-320-0371-4400	243.73		
			3045		RE-KEY TRUCK - PW4609 041-320-0311-4400	227.85		
			3046		RE-KEY TRUCK - PW2116 041-320-0370-4400	227.85		
			3056		RE-KEY TRUCK - PW0315 029-335-0000-4400	227.85		
			3057		SPARE KEYS - PD2249 041-320-0226-4400	39.42		
			3061		FACILITIES KEYS 043-390-0000-4300	52.56	Total : 1,019.26	
111940	11/16/2015	103603 VULCAN MATERIALS COMPANY	70931611		COLD MIX 001-311-0000-4300	1,336.74		
			70934244		AGG BASE 001-311-0000-4300	544.21	Total : 1,880.95	
111941	11/16/2015	103851 EVERSOF, INC.	R1504666		SOFTNER - WELL 3 070-384-0000-4260	36.71	Total : 36.71	
111942	11/16/2015	103903 TIME WARNER CABLE	8448200540010328		CABLE 11/05-12/04			

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111942	11/16/2015	103903 TIME WARNER CABLE	(Continued)		001-190-0000-4220	88.07		
			8448200540010518		CABLE 10/29 - 11/28 001-420-0000-4260	200.47	Total : 288.54	
111943	11/16/2015	887377 AKEMON, DOLORES	NOV 2015		COMMISSIONER'S REIMBURSEMENT 001-310-0000-4111	50.00	Total : 50.00	
111944	11/16/2015	887422 NORTHERN SAFETY CO., INC.	901658349		SAFETY GLOVES, GLASSES, VESTS 043-390-0000-4310	260.50	Total : 260.50	
111945	11/16/2015	887695 AL'S KUBOTA TRACTOR	49812		AERATOR SPIKES 041-320-0390-4400	763.43	Total : 763.43	
111946	11/16/2015	887810 CALGROVE RENTALS, INC.	59783		SCISSOR LIFT RENTAL 043-390-0000-4250	157.00	Total : 157.00	
111947	11/16/2015	887952 J. Z. LAWMOWER SHOP	12065		TOOL SHARPENING & MAINT FOR WIN 001-341-0301-4300	289.29		
			12066		CHAINS 001-346-0000-4320	60.00		
			12067		SHARPENING CHAINS 001-346-0000-4320	88.00		
			12068		OIL CAP 001-346-0000-4310	11.94	Total : 449.23	
111948	11/16/2015	888075 DATAMATIC, INC.	SRV850000966		HANDHELD METER READING MAINT D 070-381-0000-4320	395.08	Total : 395.08	
111949	11/16/2015	888241 UNITED SITE SERVICES OF CA INC	114-3376031		PORTABLE TOILET RENTAL @ REC PAI 001-420-0000-4260	143.90		

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111949	11/16/2015	888241 UNITED SITE SERVICES OF CA INC	(Continued) 114-3415827		PORTABLE TOILET RENTAL @ 501 FIR 043-390-0000-4260	550.04		
			114-3428036		PORTABLE TOILET RENTAL @ LAYNE F 043-390-0000-4260	379.22		
					Total :	1,073.16		
111950	11/16/2015	888321 ARRIZON, FRANCISCO	NOV 2015		COMMISSIONER'S REIMBURSEMENT 001-310-0000-4111	50.00		
					Total :	50.00		
111951	11/16/2015	888356 ADVANCED AUTO REPAIR BODY &	1288		RIGHT FRONT DOOR GLASS; SLIDING 070-383-0000-4400	414.45		
			1289		INSTALL SIDE DOOR GLASS REPL DTR 070-384-0000-4400	286.38		
					Total :	700.83		
111952	11/16/2015	888390 WEST COAST ARBORISTS, INC.	109375		TREE TRIMMING SERVICES 011-311-0000-4260	24,036.50		
			109729	11253	TREE TRIMMING SERVICES 011-311-0000-4260	21,643.45		
				11253	Total :	45,679.95		
111953	11/16/2015	888442 WESTERN EXTERMINATOR COMPANY	3455395		SKUNK REMOVAL - 501 FIRST ST 043-390-0000-4330	1,000.00		
					027-344-0301-4300	250.00		
					001-311-0000-4300	250.00		
					070-383-0000-4260	250.00		
					041-320-0000-4450	250.00		
					Total :	2,000.00		
111954	11/16/2015	888443 BAVCO	734043		BACKFLOW PARTS 070-383-0301-4300	222.00		
			734530		WATTS LEAD FREE 2" REPLACEMENT 070-383-0301-4300	389.52		
					Total :	611.52		

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111955	11/16/2015	888682 ZOBEL-RODRIGUEZ, ANGELIQUE Y.	OCT 2015		COMMISSIONER'S REIMBURSEMENT 001-105-0000-4111	50.00		
					Total :	50.00		
111956	11/16/2015	888800 BUSINESS CARD	073115		DROPBOX 001-150-0000-4300	99.00		
			101215		LEAGUE OF CA. 2015 CITY CLERK SEM 001-115-0000-4370	900.00		
			101615		PD EQUIPMENT 001-222-0000-4300	199.06		
			102215		HEADSET 001-105-0000-4300	72.69		
			102315		CARSEAT COVER PW F250 041-320-0390-4400	99.00		
			102415		POST SWORN SUPERVISORY COURSE 001-225-0000-4360	538.20		
			102615		POLICE UNIFORMS 001-222-0000-4300	2,408.08		
			102715		HEADSET 001-105-0000-4300	78.00		
			102715		HEADSET CONNECTION CORD 001-105-0000-4300	31.49		
			102715		REPLACEMENT RADIATOR 041-320-0225-4400	356.00		
			102715		ORAL BOARD LUNCH (REC SUPV) 001-106-0000-4270	102.73		
			102915		BUSINESS CARDS 001-101-0000-4300	103.98		
					001-105-0000-4300	34.66		
					001-310-0000-4300	34.66		
					001-106-0000-4300	69.32		
					001-424-0000-4300	34.66		
			103015		CERTIFICATE JACKETS 001-101-0000-4300	339.84		
			103015		MISC FEES 001-190-0000-4435	118.74		
			110215		POST SWORN SUPERVISORY COURSE			

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111956	11/16/2015	888800 BUSINESS CARD	(Continued)		001-225-0000-4360	538.20		
					Total :	6,158.31		
111957	11/16/2015	889095 LAFD - C.U.P.A.	IN0244619		HAZMAT FEES WELL 7A	327.00		
			IN0246313		070-381-0000-4450			
					HAZMAT PERMIT FEE - 120 MACNEIL	2,046.00		
					072-360-0000-4260			
					Total :	2,373.00		
111958	11/16/2015	889126 ORANGE LINE OIL CO., INC	0744054-IN		BULK OIL FOR FLEET			
					041-1215	1,028.76		
					Total :	1,028.76		
111959	11/16/2015	889467 YOUNGBLOOD & ASSOCIATES	1896A		POLYGRAPH EXAM			
					001-222-0000-4260	200.00		
					Total :	200.00		
111960	11/16/2015	889532 GILMORE, REVA.A.	10/17/15 - 10/30/15		FOOD SERVICE MANAGER			
					115-422-3750-4270	526.50		
					115-422-3752-4270	84.50		
					Total :	611.00		
111961	11/16/2015	889533 MARTINEZ, ANITA	10/17/15 - 10/30/15		FOOD SERVICE INTAKE CLERK			
					115-422-3750-4270	180.00		
					Total :	180.00		
111962	11/16/2015	889535 GOMEZ, GILBERT	10/17/15 - 10/30/15		HDM DRIVER			
					115-422-3752-4270	162.00		
					115-422-3752-4390	46.80		
					Total :	208.80		
111963	11/16/2015	889545 PEREZ, MARIBEL	REIMB.		MILEAGE REIMB. - SENIOR SYMPOSIU			
					001-420-0000-4360	84.30		
					Total :	84.30		
111964	11/16/2015	889592 CUELLAR, JIMMY KYLE	OCT 2015		MMAP INSTRUCTOR			
					109-424-3637-4260	500.00		
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111964	11/16/2015	889592 889592 CUELLAR, JIMMY KYLE	(Continued)				Total :	
						500.00		
111965	11/16/2015	889602 RESPOND SYSTEMS	295461		REPLENISH EMERGENCY KIT AT CITY I			
			98771		001-310-0000-4300	356.59		
					SAFETY GLOVES			
					001-341-0301-4300	216.91		
					Total :	573.50		
111966	11/16/2015	889680 JIMENEZ LOPEZ, JUAN MANUEL	OCT 2015		MMAP INSTRUCTOR			
					109-424-3637-4260	900.00		
					Total :	900.00		
111967	11/16/2015	889681 VILLALPANDO, MARIA	10/17/15 - 10/30/15		FOOD SERVICE WORKER			
					115-422-3750-4270	225.00		
					115-422-3752-4270	45.00		
					Total :	270.00		
111968	11/16/2015	889794 CUELLAR, JULIE	NOV 2015		COMMISSIONER'S REIMBURSEMENT			
					001-310-0000-4111	50.00		
					Total :	50.00		
111969	11/16/2015	889978 PERFORMANCE PIPELINE	7948	11233	CITY SEWER SYSTEM TVING			
					072-360-0000-4260	96,479.02		
					Total :	96,479.02		
111970	11/16/2015	890095 O'REILLY AUTO PARTS	4605-163046		SOLENOID - PW2532			
			4605-163837		041-320-0311-4400	25.27		
			4605-163844		LIGHTS - PD5748			
			4605-164148		041-320-0226-4400	21.89		
			4605-164171		BATTERY - PD8864			
			4605-164224		041-320-0225-4400	121.06		
			4605-164774		FUEL CAP - PW2073			
					041-320-0371-4400	9.57		
					BRAKE & CARB CLEANER			
					041-1215	63.23		
					IGNITION SWITCH - PW2532			
					041-320-0311-4400	22.98		
					STARTER - PK8230			
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111970	11/16/2015	890095 O'REILLY AUTO PARTS	(Continued)					
			4605-164921		041-320-0390-4400	163.41		
					CORE CREDIT			
					041-320-0390-4400	-38.33		
					Total :	389.08		
111971	11/16/2015	890104 ABBA TERMITE & PEST CONTROL	26947		BEE REMOVED FROM METER BOX - 72			
					070-383-0000-4260	95.00		
					Total :	95.00		
111972	11/16/2015	890401 ENVIROGEN TECHNOLOGIES INC	0007366-IN	11254	OCT - NITRATE REMOVAL SYSTEM LEA			
					070-384-0000-4260	7,187.24		
					Total :	7,187.24		
111973	11/16/2015	890411 ARC DOCUMENT SOLUTIONS, LLC	8321246		COPIES OF CITY MAPS			
					001-310-0000-4300	182.74		
					Total :	182.74		
111974	11/16/2015	890546 BARAJAS, CRYSTAL	OCT 2015		MMAP MENTOR INSTRUCTOR			
					109-424-3637-4260	240.00		
					Total :	240.00		
111975	11/16/2015	890559 CRESCENTA VALLEY WATER DISTRIC	SF15		ULARA SPECIAL COUNSEL COST SHAF			
					070-381-0000-4270	383.96		
					Total :	383.96		
111976	11/16/2015	890584 POWERLINE BATTERY SPECIALIST	12255		JUMPER BATTERY - PD4470			
					070-384-0000-4400	109.50		
					072-360-0000-4400	201.17		
					Total :	310.67		
111977	11/16/2015	890879 EUROFINS EATON ANALYTICAL, INC	I0237250		CREDIT ISSUED ON INV L0233245			
			L0233245		070-384-0000-4260	-129.20		
			L0237303		WATER ANALYSIS - F553364	268.80		
			L0237509		070-384-0000-4260	12.00		
					WATER ANALYSIS FOLDERS			
					WATER ANALYSIS FOLDERS			
					Total :			

vchlist		Voucher List				Page:	18	
11/10/2015	10:04:12AM	CITY OF SAN FERNANDO						
Bank code :		bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount		
111977	11/16/2015	890879 EUROFINS EATON ANALYTICAL, INC	(Continued)					
			L0237513		070-384-0000-4260	139.60		
			L0237514		WATER ANALYSIS FOLDERS			
			L0237515		070-384-0000-4260	139.60		
			L0237516		WATER ANALYSIS FOLDERS			
			L0237517		070-384-0000-4260	164.00		
			L0237521		WATER ANALYSIS FOLDERS			
			L0237522		070-384-0000-4260	24.00		
			L0237524		WATER ANALYSIS FOLDERS			
			L0237674		070-384-0000-4260	139.60		
			L0238232		WATER ANALYSIS FOLDERS			
			L0238234		070-384-0000-4260	50.00		
			L0238237		WATER ANALYSIS FOLDERS			
			L0238480		070-384-0000-4260	264.60		
			L0238481		WATER ANALYSIS FOLDERS			
			L0238887		070-384-0000-4260	164.00		
			L0238890		WATER ANALYSIS FOLDERS			
					070-384-0000-4260	139.60		
					Total :	2,578.20		
111978	11/16/2015	890897 EVAN BROOKS ASSOCIATES, INC	150010-9		ENG DESIGN SERVICES FOR SAFE RC			

vchlist		Voucher List				Page:	19	
11/10/2015	10:04:12AM	CITY OF SAN FERNANDO						
Bank code :		bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account		Amount	
111978	11/16/2015	890897 EVAN BROOKS ASSOCIATES, INC	(Continued)	11229	010-370-3636-4600	Total :	12,250.00	
							12,250.00	
111979	11/16/2015	890998 TRUJILLO, RODOLFO	NOV 2015		COMMISSIONER'S REIMBURSEMENT 001-310-0000-4111	Total :	50.00	
							50.00	
111980	11/16/2015	891008 JONES, KENNETH	REIMB.		WELLNESS BENEFIT REIMB. 001-310-0000-4140	Total :	250.00	
							250.00	
111981	11/16/2015	891054 MEJIA, YVONNE G	OCT 2015		COMMISSIONER'S REIMBURSEMENT 001-105-0000-4111	Total :	50.00	
							50.00	
111982	11/16/2015	891209 AUTONATION SSC	208472		BRAKE PADS 041-1215	Total :	171.86	
							171.86	
111983	11/16/2015	891311 TORRES, RITA	10/17/15 - 10/30/15		ENP SUBSTITUTE 115-422-3750-4270 115-422-3752-4270	Total :	81.00	
							9.00	
							90.00	
111984	11/16/2015	891355 NAREZ, FABIAN	OCT 2015		MMAP MENTOR INSTRUCTOR 109-424-3637-4260	Total :	240.00	
							240.00	
111985	11/16/2015	891377 REYES, JOSE	10/17/15 - 10/30/15		HDM DRIVER 115-422-3752-4270 115-422-3752-4390	Total :	180.00	
							57.20	
							237.20	
111986	11/16/2015	891533 DEXMEDIA	490003218406		DOMAIN REGISTRATION & E-MAIL HOS 001-190-0000-4220	Total :	50.95	
							50.95	
							Page: 19	

vchlist		Voucher List				Page:	20	
11/10/2015	10:04:12AM	CITY OF SAN FERNANDO						
Bank code :		bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account		Amount	
111987	11/16/2015	891570 INNOVATIVE TELECOM. SYSTEMS	1652		PD PHONE CONFIGURATION & MEETII 001-190-0000-4260	Total :	920.00	
							920.00	
111988	11/16/2015	891573 PERFORMANCE TRUCK & TRAILER	IN41163		SPOT LIGHT HANDLES 041-1215	Total :	151.08	
							151.08	
111989	11/16/2015	891664 GOLDEN TOUCH CLEANING, INC	62083	11242	JANITORIAL SERVICES CONTRACT FO 043-390-0000-4260	Total :	12,550.00	
							12,550.00	
111990	11/16/2015	891690 AGUIRRE, ELVIA N.	110115		FACE PAINTING ARTIST & SUPPLIES F 001-424-0000-4260	Total :	150.00	
							150.00	
111991	11/16/2015	891711 CHIEF LAW ENFORCEMENT SUPPLY	388507		RAIN GEAR 001-222-0000-4300	Total :	183.75	
							183.75	
111992	11/16/2015	891777 IRRIGATION EXPRESS	15032267-00 15032497-00		WATER LEAK REPAIR @ CITY HALL 043-390-0000-4300 BRAND MEDIAN WATER METER RELOC 070-385-0000-4600	Total :	49.75	
							316.97	
							366.72	
111993	11/16/2015	891796 BATTERY SYSTEMS INC	3309225		BATTERY FOR FLEET 041-1215	Total :	192.39	
							192.39	
111994	11/16/2015	891881 REMENIH, MICHAEL	OCT 2015		COMMISSONER'S REIMBURSEMENT 001-105-0000-4111	Total :	50.00	
							50.00	
111995	11/16/2015	891929 ALL AMERICAN CLEANERS	3206		VIP TABLE COVERING CLEANED & IRO 004-2359	Total :	105.00	
							105.00	
							Page: 20	

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11/10/2015	10:04:12AM	CITY OF SAN FERNANDO						
Bank code :		bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount		
111996	11/16/2015	892010 SOTO JR., JAIME	OCT; NOV 3-4		FIELD PREP 017-420-1340-4260	200.00	Total : 200.00	
111997	11/16/2015	892013 BERNSTEIN, DIANA	10/23/15-11/12/15		ALL ABILITIES ART CLASS 017-420-1343-4260	260.00	Total : 260.00	
111998	11/16/2015	892016 SELECTIVE ASHLAN LLC	33-0181-09		WATER ACCT REFUND - 1013 SAN FER 070-2010	102.05	Total : 102.05	
111999	11/16/2015	892023 PAETEC	58852670		PHONE SERVICES 10/18/15-11/17/15 001-222-0000-4220 001-420-0000-4220 070-384-0000-4220 001-190-0000-4220	688.28 1,027.99 529.74 730.40	Total : 2,976.41	
112000	11/16/2015	892026 KTB CONSTRUCTION	NO. 2	11283	BRAND BLVD WATERWISE LANDSCAPI 032-311-0178-4600 032-2037	48,700.00 -4,870.00	Total : 43,830.00	
112001	11/16/2015	892038 HALL & FOREMAN, INC., A DIVISION OF	362105	11288	SANITARY SEWER MASTER PLAN 072-360-0000-4270	3,280.00	Total : 3,280.00	
112002	11/16/2015	892046 CISNEROS, RAMIRO	39-3560-00		WATER ACCT REFUND - 813 KALISHER 070-2010	102.78	Total : 102.78	
112003	11/16/2015	892047 GALINATO, VIOLETAMONICA	54-3915-03		WATER ACCT REFUND - 1032 MACNEIL 070-2010	126.25	Total : 126.25	
112004	11/16/2015	892048 MEDINA, RAYMOND	35-1145-10		WATER ACCT REFUND - 1315 PICO 070-2010	98.39		
						Page:	21	

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11/10/2015	10:04:12AM	CITY OF SAN FERNANDO						
Bank code :		bank						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount		
112004	11/16/2015	892048 892048 MEDINA, RAYMOND	(Continued)				Total : 98.39	
112005	11/16/2015	892049 MOO STUDIOS LLC	43-2780-02		WATER ACCT REFUND - 1712 FIRST 070-2010	71.62	Total : 71.62	
112006	11/16/2015	892050 HERNANDEZ, SIGIFREDO	54-1083-01		WATER ACCT REFUND - 963 N MACLAY 070-2010	70.47	Total : 70.47	
112007	11/16/2015	892051 DANG, CHI	39-4165-03		WATER ACCT REFUND - 803 S WORKM 070-2010	134.07	Total : 134.07	
112008	11/16/2015	892052 LEFF, PAT	37-1455-04		WATER ACCT REFUND - 711 GRIFFITH 070-2010	28.74	Total : 28.74	
112009	11/16/2015	892053 ANTILLON, JOSE LUIS	43-0901-08		WATER ACCT REFUND - 440 N MEYER 070-2010	20.70	Total : 20.70	
112010	11/16/2015	892054 CHAVEZ, DANIEL R.	110115		FACE PAINTING ARTIST & SUPPLIES F 001-424-0000-4260	150.00	Total : 150.00	
112011	11/16/2015	892055 NEVAREZ, LINDA	110115		FACE PAINTING ARTIST & SUPPLIES F 001-424-0000-4260	150.00	Total : 150.00	
112012	11/16/2015	892056 SILVA, MARTHA	321430		SENIOR TRIP REFUND 004-2384	20.00		
			321488		SENIOR TRIP REFUND 004-2384	130.00		
			321504		SENIOR TRIP REFUND 004-2384	130.00	Total : 280.00	
						Page:	22	

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Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount		
112013	11/16/2015	892057 QUINTERO ESPINOZA, ELADIO	72002354		PARKING CITATION REFUND 001-3430-0000	110.00		
						Total :	110.00	
125 Vouchers for bank code :		bank					Bank total :	1,425,293.84
125 Vouchers in this report							Total vouchers :	1,425,293.84

Voucher Registers are not final until approved by Council.

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Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111487	10/5/2015	102519 P.E.R.S.	DEMAND		HEALTH INS BENEFITS-OCTOBER 2015 001-1160	179,038.22 Total : 179,038.22
111488	10/7/2015	891889 L.A. FLYER, INC.	11209		OFFICIAL SF NEWSLETTER - PRINT, ST 001-150-0000-4270 001-190-0000-4267	1,110.00 3,313.56 Total : 4,423.56
111538	10/8/2015	103648 CITY OF SAN FERNANDO	PR 10-9-15		REIMBURSEMENT FOR PAYROLL W/E 001-1003 007-1003 008-1003 011-1003 018-1003 027-1003 029-1003 041-1003 043-1003 070-1003 072-1003 103-1003 104-1003	304,605.65 774.25 1,932.85 6,609.66 61,324.04 3,149.15 2,252.82 8,053.02 12,929.03 33,737.48 17,210.20 3,968.41 4,536.33 Total : 461,082.89
111539	10/8/2015	890907 DELTA DENTAL OF CALIFORNIA	DEMAND		DENTAL INSURANCE BENEFITS - OCTO 001-1160	11,493.60 Total : 11,493.60
111540	10/8/2015	891230 DELTA DENTAL INSURANCE COMPANY	DEMAND		DENTAL INSURANCE BENEFITS - OCTO 001-1160	381.81 Total : 381.81
111541	10/8/2015	103596 CALIFORNIA VISION SERVICE PLAN	DEMAND		OPTICAL INSURANCE BENEFITS - OCT 001-1160	2,458.34

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Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111541	10/8/2015	103596 103596 CALIFORNIA VISION SERVICE PLAN	(Continued)			Total : 2,458.34
111542	10/8/2015	887627 STANDARD INSURANCE	DEMAND		LIFE INSURANCE BENEFITS - OCTOBE 001-1160	2,673.90 Total : 2,673.90
111543	10/13/2015	103648 CITY OF SAN FERNANDO	SP PR 10-13-15		REIMB FOR SPECIAL PAYROLL W/E 10- 001-1003 007-1003 008-1003 011-1003 012-1003 029-1003 041-1003 043-1003 070-1003 072-1003	6,764.59 83.01 166.99 566.08 254.17 189.04 694.12 1,076.67 2,645.10 1,436.28 Total : 13,876.05
111701	10/22/2015	103648 CITY OF SAN FERNANDO	PR 10-23-15		REIMBURSEMENT FOR PAYROLL W/E 001-1003 007-1003 008-1003 011-1003 018-1003 027-1003 029-1003 041-1003 043-1003 070-1003 072-1003 103-1003 104-1003	331,216.74 822.53 1,953.33 6,772.85 61,947.11 3,299.12 2,288.72 8,222.10 13,038.16 34,457.82 18,529.01 4,497.71 5,229.98 Total : 492,275.18
111702	10/23/2015	103218 SOLIS, MARGARITA	102115		INITIAL FUNDING FOR (4) NEW CASH 001-1030	400.00

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Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111702	10/23/2015	103218 103218 SOLIS, MARGARITA	(Continued)			Total : 400.00
111703	10/28/2015	891825 UNITED STATES TREASURY	10-28-15		3RD QUARTER FEDERAL EXCISE TAX 041-190-0000-4457	826.38 Total : 826.38
111704	10/28/2015	891929 ALL AMERICAN CLEANERS	2952		VIP TABLE COVERINGS CLEANED & IR 004-2359	165.00 Total : 165.00
111705	10/28/2015	892013 BERNSTEIN, DIANA	09/17/15 - 10/08/15		ALL ABILITIES ART CLASS INSTRUCTO 017-420-1343-4260	540.00 Total : 540.00
111706	10/29/2015	892010 SOTO JR., JAIME	SEPT & OCT 2015		FIELD PREP 017-420-1340-4260	100.00 Total : 100.00
111760	10/31/2015	887627 STANDARD INSURANCE	DEMAND		LIFE INSURANCE BENEFITS-NOVEMBE 001-1160	3,372.40 Total : 3,372.40
15 Vouchers for bank code : bank						Bank total : 1,173,107.33
15 Vouchers in this report						Total vouchers : 1,173,107.33

Voucher Registers are not final until approved by Council.

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 CITY OF SAN FERNANDO

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111489	10/7/2015	100346 BELDEN, KENNETH MILES	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	121.64
Total :						121.64
111490	10/7/2015	100916 DEIBEL, PAUL	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	16.13
Total :						16.13
111491	10/7/2015	101044 ELEY, JEFFREY	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	120.53
Total :						120.53
111492	10/7/2015	101440 HALCON, ERNEST	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	121.64
Total :						121.64
111493	10/7/2015	101466 HARVEY, DEVERY MICHAEL	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	187.78
Total :						187.78
111494	10/7/2015	101694 JACOBS, ROBERT	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	121.64
Total :						121.64
111495	10/7/2015	101926 LILES, RICHARD	OCTOBER 2015		CAL PERS HEALTH REIMB. 070-180-0000-4127 072-180-0000-4127	67.86 67.85
Total :						135.71
111496	10/7/2015	102126 MARTINEZ, MIGUEL	OCTOBER 2015		CAL PERS HEALTH REIMB. 070-180-0000-4127	8.61
Total :						8.61
111497	10/7/2015	102473 ORDELHEIDE, ROBERT	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	258.48
Total :						258.48

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Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111498	10/7/2015	102864 RIVETTI, DOMINICK	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	148.50
Total :						148.50
111499	10/7/2015	103220 SOMERVILLE, MICHAEL	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	120.53
Total :						120.53
111500	10/7/2015	891013 BRUNWIN, HERBERT	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	16.13
Total :						16.13
111501	10/7/2015	891021 GUIZA, JENNIE	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	16.13
Total :						16.13
111502	10/7/2015	891027 LOCKETT, JOANN	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	16.13
Total :						16.13
111503	10/7/2015	891028 MANTHEY, DONALD	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	145.37
Total :						145.37
111504	10/7/2015	891031 ORTEGA, JIMMIE	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	16.13
Total :						16.13
111505	10/7/2015	891032 OTREMBA, EUGENE	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	58.58
Total :						58.58
111506	10/7/2015	891033 POLLOCK, CHRISTINE	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	89.82
Total :						89.82
111507	10/7/2015	891352 HADEN, SUSANNA	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	6.62

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Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111507	10/7/2015	891352 891352 HADEN, SUSANNA	(Continued)			Total : 6.62
111508	10/7/2015	891354 RAMIREZ, ROSALINDA	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	3.31 Total : 3.31
111509	10/7/2015	891866 KNIGHT, DONNA	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	51.00 Total : 51.00
21 Vouchers for bank code : bank						Bank total : 1,780.41
21 Vouchers in this report						Total vouchers : 1,780.41

Voucher Registers are not final until approved by Council.

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 CITY OF SAN FERNANDO

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111510	10/7/2015	100306 BARNARD, LARRY	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	94.35
					Total :	94.35
111511	10/7/2015	100642 CASTRO, RICO	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	336.03
					Total :	336.03
111512	10/7/2015	100913 DECKER, CATHERINE	OCTOBER 2015		CAL PERS HEALTH REIMB. 070-180-0000-4127	32.26
					Total :	32.26
111513	10/7/2015	100995 DRAKE, MICHAEL	OCTOBER 2015		CAL PERS HEALTH REIMB. 070-180-0000-4127 072-180-0000-4127	8.07 8.06
					Total :	16.13
111514	10/7/2015	100996 DRAKE, JOYCE	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	204.87
					Total :	204.87
111515	10/7/2015	101538 HOUGH, RAY	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	32.26
					Total :	32.26
111516	10/7/2015	101933 LITTLEFIELD, LESLEY	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	32.26
					Total :	32.26
111517	10/7/2015	102206 MILLER, WILMA	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	16.13
					Total :	16.13
111518	10/7/2015	102232 MIURA, HOWARD	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	16.13
					Total :	16.13

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 CITY OF SAN FERNANDO

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111519	10/7/2015	102569 PARKS, ROBERT	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	120.53
					Total :	120.53
111520	10/7/2015	103175 SKOBIN, ROMELIA	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	134.62
					Total :	134.62
111521	10/7/2015	103394 TORRES, RACHEL	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	16.13
					Total :	16.13
111522	10/7/2015	103643 WEDDING, JERRY	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	32.26
					Total :	32.26
111523	10/7/2015	103727 WYSBEEK, DOUDE	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	16.13
					Total :	16.13
111524	10/7/2015	103737 YNIGUEZ, LEONARD	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	145.37
					Total :	145.37
111525	10/7/2015	891010 MAERTZ, ALVIN	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	388.60
					Total :	388.60
111526	10/7/2015	891011 APODACA-GRASS, ROBERTA	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	32.26
					Total :	32.26
111527	10/7/2015	891014 CREEKMORE, CASIMIRA	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	16.13
					Total :	16.13
111528	10/7/2015	891016 DEATON, MARK	OCTOBER 2015		CAL PERS HEALTH REIMB. 070-180-0000-4127	135.71

Page: 2

vchlist Page: 3
 10/07/2015 4:41:15PM Voucher List
 CITY OF SAN FERNANDO

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
111528	10/7/2015	891016 891016 DEATON, MARK	(Continued)			Total : 135.71
111529	10/7/2015	891020 GLASGOW, ROBERT	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	62.53 Total : 62.53
111530	10/7/2015	891023 HATFIELD, JAMES	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	58.58 Total : 58.58
111531	10/7/2015	891024 HOOKER, RAYMOND	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	61.93 Total : 61.93
111532	10/7/2015	891034 RAMSEY, JAMES	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	275.12 Total : 275.12
111533	10/7/2015	891035 SHERWOOD, NINA	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	29.29 Total : 29.29
111534	10/7/2015	891036 WATT, DAVID	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	32.26 Total : 32.26
111535	10/7/2015	891037 WEBB, NANCY	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	137.56 Total : 137.56
111536	10/7/2015	891038 WAITE, CURTIS	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	91.22 Total : 91.22
111537	10/7/2015	891918 HARTWELL, BRUCE	OCTOBER 2015		CAL PERS HEALTH REIMB. 001-180-0000-4127	221.00 Total : 221.00

Page: 3

vchlist Page: 4
 10/07/2015 4:41:15PM Voucher List
 CITY OF SAN FERNANDO

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
28		Vouchers for bank code : bank				Bank total : 2,787.65
28		Vouchers in this report				Total vouchers : 2,787.65

Voucher Registers are not final until approved by Council.

Page: 4

RESOLUTION NO. 6212

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, APPROVING THE ISSUING OF WARRANTS PRIOR TO COUNCIL RATIFICATION DUE TO CANCELLATION OF REGULARLY SCHEDULED CITY COUNCIL MEETINGS

WHEREAS, warrants are not issued until ratification at Council meetings; and

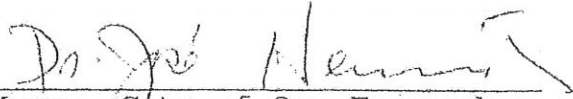
WHEREAS, during certain months of the year, regularly scheduled Council meetings may be cancelled, causing extended periods of time between meetings; and

WHEREAS, this time lag may create undue hardship to those whom the City may owe funds.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of San Fernando, California, does hereby approve that regularly scheduled warrants, including consultants' billings, which would have been considered for ratification had not a regularly scheduled City Council meeting been cancelled, may be approved for issuance by a consensus of the City Administrator and the Finance Director. The check signature policy will not be amended by this action and the warrants will be subject to ratification at the next scheduled City Council meeting.

PASSED, APPROVED AND ADOPTED this 3rd day of August, 1992, by the following vote:

- AYES: Acuna, Hernandez, Chacon, Wysbeek, Ojeda - 5
- NOES: None - 0
- ABSENT: None - 0



Mayor, City of San Fernando

ATTEST:



City Clerk

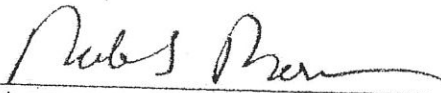
STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS.
CITY OF SAN FERNANDO)

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of San Fernando at a regular meeting thereof, held on the 3rd day of August, 1992.



City Clerk

APPROVED AS TO FORM:



City Attorney



MEMORANDUM

To: Margarita Solis, City Treasurer

From: Nick Kimball, Finance Director
By: Sandra Franco-Rivas, Senior Account Clerk

Date: November 3, 2015

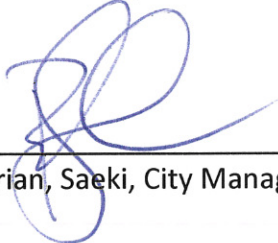
Subject: Release of Warrants

Due to the lack of a formal City Council meeting on November 2, 2015, the warrant register was not approved. The City Council has passed a Resolution #6212 permitting the release of regular occurring warrants with the approval of the City Manager and the Finance Director (copy attached). Approval is hereby provided:

Approved: _____


Nick Kimball, Finance Director

Approved: _____


Brian, Saeki, City Manager

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Brian Saeki, City Manager
By: Nick Kimball, Finance Director

Date: November 16, 2015

Subject: Consideration to Adopt Public Employee Retirement System (PERS) Resolutions Implementing Provisions of the Current Memorandum of Understandings with the City's Bargaining Units

RECOMMENDATION:

It is recommended that the City Council:

- a. Adopt Resolution Nos. 7706 - 7710 (Attachments "A-E") for paying and reporting the value of Employer Paid Member Contributions; and
- b. Adopt Resolution No. 7711 (Attachment "F") rescinding the health benefit vesting for the San Fernando Police Officers' Association; and
- c. Authorize the City Manager to make non-substantive corrections and execute all related documents.

BACKGROUND:

1. The San Fernando Police Officers Association, San Fernando Police Management, San Fernando Management Group and San Fernando Police Civilians Association all had MOUs that expired on June 30, 2015. The San Fernando Public Employees' Association has an existing MOU that includes re-openers to discuss salary for existing employees and benefits for future employees.
2. During the negotiations for these groups, two of the City's primary objectives were reducing the City's overall exposure to health care premiums for existing employees, either by introducing some level of cost sharing or limiting the exposure through a cafeteria style health care benefit, and limiting the growing future liability exposure for retiree health benefits.
3. The City has executed multi-year agreements with all of the aforementioned bargaining units.

Consideration to Adopt Public Employee Retirement System (PERS) Resolutions Implementing Provisions of the Current Memorandum of Understandings with the City's Bargaining UnitsPage 2 of 2

ANALYSIS:

As previously mentioned, the City has reached agreement and executed multi-year contracts with all bargaining units. All of the agreements include changes to retiree medical benefits for employees hired after July 1, 2015 and increases to the Employer Paid Member Contribution (EPMC) for existing employees' defined benefit retirement with the California Public Employees Retirement System (CalPERS).

In order to fully implement the provisions of the negotiated benefit changes, CalPERS requires the City Council adopt various resolutions that include specific approved language. To implement the increased EPMC and amend the City's contract with CalPERS, the City must adopt Resolutions Nos. 7706 – 7710, included as Attachments A – E, respectively.

Additionally, in order to implement the reduction of retiree health benefits for San Fernando Police Officers' Association (SFPOA), members hired after July 1, 2015, CalPERS requires the City to rescind the vesting schedule previously adopted for SFPOA members hired after July 1, 2008. The rescission of the vesting schedule as it pertains to the five SFPOA members that were hired after July 1, 2008 and before July 1, 2015 will not change their level of benefits as stipulated in the MOU that was in force when they were hired; however, the City will manage their benefit rather than CalPERS.

BUDGET IMPACT:

There is no budget impact associated with adopting the proposed resolutions.

CONCLUSION:

Adopting the proposed resolutions will fulfill the City's requirements with CalPERS to amend the existing contracts and implement the terms of the negotiated MOUs.

ATTACHMENTS:

- A. Resolution No. 7706
- B. Resolution No. 7707
- C. Resolution No. 7708
- D. Resolution No. 7709
- E. Resolution No. 7710
- F. Resolution No. 7711

ATTACHMENT "A"**RESOLUTION NO. 7706****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS**

WHEREAS, the governing body of the City of San Fernando has the authority to implement Government Code Section 20636 (c) (4) pursuant to Section 20691;

WHEREAS, the governing body of the City of San Fernando has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the City of San Fernando of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of the City of San Fernando has identified the following conditions for the purpose of its election to pay EPMC;

- This benefit shall apply to all members of the San Fernando Police Officers' Association (SFPOA), including Police Officers, Sergeants, Lieutenants and Chief (also referred to as "classic safety members") that are under the 3% @ 50 and 3% @ 55 retirement formula. It does not apply to "new" members hired on or after January 1, 2013 that are under the 2.7% @ 57 retirement formula.
- This benefit shall consist of paying, as scheduled below, the following specified normal member contributions as EPMC, and reporting the same percent (value) of compensation earnable {excluding Government Code Section 20636(c)(4)} as additional compensation:
 - For classic safety members under 3% @ 50 and 3% @ 55 retirement formula, respectively, the City shall pay as follows:
 - Effective July 11, 2015: 6.5% of normal member contributions
 - Effective June 25, 2016: 8.0% of normal member contributions
 - Effective June 24, 2017: 9.0% of normal member contributions

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER that the governing body of the City of San Fernando elects to pay EPMC, as set forth above.

PASSED, APPROVED, AND ADOPTED this 16th day of November, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 16th day of November, 2015, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

ATTACHMENT "B"**RESOLUTION NO. 7707****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS**

WHEREAS, the governing body of the City of San Fernando has the authority to implement Government Code Section 20636 (c) (4) pursuant to Section 20691;

WHEREAS, the governing body of the City of San Fernando has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the City of San Fernando of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of the City of San Fernando has identified the following conditions for the purpose of its election to pay EPMC;

- This benefit shall apply to all miscellaneous Executive Management members including non-sworn Department Heads and the City Manager (also referred to as "classic miscellaneous members") that are under the 3% @ 60 and 2% @ 55 retirement formula. It does not apply to "new" members hired on or after January 1, 2013 that are under the 2% @ 62 retirement formula.
- This benefit shall consist of paying, as scheduled below, the following specified normal member contributions as EPMC, and reporting the same percent (value) of compensation earnable {excluding Government Code Section 20636(c)(4)} as additional compensation:
 - For miscellaneous Executive Management members under 3% @ 60 retirement formula, the City shall pay as follows:
 - Effective July 11, 2015: 6.0% of normal member contributions
 - Effective June 25, 2016: 7.0% of normal member contributions
 - Effective June 24, 2017: 7.5% of normal member contributions
 - For miscellaneous Executive Management members under 2% @ 55 retirement formula, the City shall pay as follows:
 - Effective July 11, 2015: 5.5% of normal member contributions
 - Effective June 25, 2016: 6.5% of normal member contributions

- Effective June 24, 2017: 7.0% of normal member contributions

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER that the governing body of the City of San Fernando elects to pay EPMC, as set forth above.

PASSED, APPROVED, AND ADOPTED this 16th day of November, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 16th day of November, 2015, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

ATTACHMENT "C"**RESOLUTION NO. 7708****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN FERNANDO, CALIFORNIA, FOR PAYING AND
REPORTING THE VALUE OF EMPLOYER PAID MEMBER
CONTRIBUTIONS**

WHEREAS, the governing body of the City of San Fernando has the authority to implement Government Code Section 20636 (c) (4) pursuant to Section 20691;

WHEREAS, the governing body of the City of San Fernando has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the City of San Fernando of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of the City of San Fernando has identified the following conditions for the purpose of its election to pay EPMC;

- This benefit shall apply to all members of the San Fernando Management Group (SFMG)//Service Employees' International Union (SEIU) Local 721 (also referred to as "classic miscellaneous members") that are under the 3% @ 60 and 2% @ 55 retirement formula. It does not apply to "new" members hired on or after January 1, 2013 that are under the 2% @ 62 retirement formula.
- This benefit shall consist of paying, as scheduled below, the following specified normal member contributions as EPMC, and reporting the same percent (value) of compensation earnable {excluding Government Code Section 20636(c)(4)} as additional compensation:
 - For SFMG/SEIU Local 721 members under 3% @ 60 retirement formula, the City shall pay as follows:
 - Effective July 11, 2015: 6.0% of normal member contributions
 - Effective June 25, 2016: 8.0% of normal member contributions
 - For SFMG/SEIU Local 721 members under 2% @ 55 retirement formula, the City shall pay as follows:
 - Effective July 11, 2015: 5.5% of normal member contributions
 - Effective June 25, 2016: 7.0% of normal member contributions

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER that the governing body of the City of San Fernando elects to pay EPMC, as set forth above.

PASSED, APPROVED, AND ADOPTED this 16th day of November, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 16th day of November, 2015, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

ATTACHMENT "D"**RESOLUTION NO. 7709****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN FERNANDO, CALIFORNIA, FOR PAYING AND
REPORTING THE VALUE OF EMPLOYER PAID MEMBER
CONTRIBUTIONS**

WHEREAS, the governing body of the City of San Fernando has the authority to implement Government Code Section 20636 (c) (4) pursuant to Section 20691;

WHEREAS, the governing body of the City of San Fernando has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the City of San Fernando of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of the City of San Fernando has identified the following conditions for the purpose of its election to pay EPMC;

- This benefit shall apply to all members of the San Fernando Police Civilians' Association (SFPCA)/Service Employees' International Union (SEIU) Local 721 (also referred to as "classic miscellaneous members") that are under the 3% @ 60 and 2% @ 55 retirement formula. It does not apply to "new" members hired on or after January 1, 2013 that are under the 2% @ 62 retirement formula.
- This benefit shall consist of paying, as scheduled below, the following specified normal member contributions as EPMC, and reporting the same percent (value) of compensation earnable {excluding Government Code Section 20636(c)(4)} as additional compensation:
 - For SFPCA/SEIU Local 721 members under 3% @ 60 retirement formula, the City shall pay as follows:
 - Effective July 11, 2015: 6.5% of normal member contributions
 - Effective June 25, 2016: 7.5% of normal member contributions
 - Effective June 24, 2017: 8.0% of normal member contributions
 - For SFPCA/SEIU Local 721 members under 2% @ 55 retirement formula, the City shall pay as follows:
 - Effective July 11, 2015: 6.0% of normal member contributions
 - Effective June 25, 2016: 7.0% of normal member contributions
 - Effective June 24, 2017: 7.0% of normal member contributions

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER that the governing body of the City of San Fernando elects to pay EPMC, as set forth above.

PASSED, APPROVED, AND ADOPTED this 16th day of November, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 16th day of November, 2015, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

ATTACHMENT "E"**RESOLUTION NO. 7710****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN FERNANDO, CALIFORNIA, FOR PAYING AND
REPORTING THE VALUE OF EMPLOYER PAID MEMBER
CONTRIBUTIONS**

WHEREAS, the governing body of the City of San Fernando has the authority to implement Government Code Section 20636 (c) (4) pursuant to Section 20691;

WHEREAS, the governing body of the City of San Fernando has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the City of San Fernando of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of the City of San Fernando has identified the following conditions for the purpose of its election to pay EPMC;

- This benefit shall apply to all members of the San Fernando Public Employees Association (SFPEA)/Service Employees International Union (SEIU) Local 721, and employees designated as "Confidential" (also referred to as "classic miscellaneous members") that are under the 3% @ 60 and 2% @ 55 retirement formula. It does not apply to "new" members hired on or after January 1, 2013 that are under the 2% @ 62 retirement formula.
- This benefit shall consist of paying, as scheduled below, the following specified normal member contributions as EPMC, and reporting the same percent (value) of compensation earnable {excluding Government Code Section 20636(c)(4)} as additional compensation:
 - For SFPEA/SEIU Local 721 and Confidential members under 3% @ 60, the City shall pay as follows:

Effective August 1, 2015: 6.0% of normal member contributions
 - For SFPEA/SEIU Local 721 and Confidential members under 2% @ 55, the City shall pay as follows:

Effective August 1, 2015: 5.5% of normal member contributions

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER that the governing body of the City of San Fernando elects to pay EPMC, as set forth above.

PASSED, APPROVED, AND ADOPTED this 16th day of November, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 16th day of November, 2015, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

ATTACHMENT “F”**RESOLUTION NO. 7711****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO,
CALIFORNIA, ELECTING TO RESCIND HEALTH BENEFIT VESTING UNDER
SECTION 22893 OF THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL
CARE ACT WITH RESPECT TO A REGOCNIZED EMPLOYEE ORGANIZATION**

- WHEREAS, (1) City of San Fernando is a contracting agency under Government Code Section 22920 and subject to the Public Employees’ Medical and Hospital Care Act (the “Act”) for participation by members of San Fernando Police Officers’ Association and
- WHEREAS, (2) City of San Fernando is a contracting agency has filed a resolution with the Board of the California Public Employees’ Retirement System to provide a postretirement health benefits vesting requirement to employees who retire for service in accordance with Government Code Section 22893; and
- RESOLVED, (a) City of San Fernando elects to rescind postretirement health benefits vesting requirements; and be it further
- RESOLVED, (b) That employees first hired on or after July 1, 2008 will no longer be subject to vesting as established by Resolution No. 7255 and be it further
- RESOLVED, (c) City of San Fernando has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (d) That the participation of the employees and annuitants of City of San Fernando shall be subject to determination of its status as an “agency or instrumentality of the state or political subdivision of a State” that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that City of San Fernando would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, the California Public Employees’ Retirement System may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and be it further
- RESOLVED, (e) That the executive body appoint and direct, and it does hereby appoint and direct, Personnel Manager to file with the Board a verified copy of

this resolution, and to perform on behalf of City of San Fernando all functions required of it under the Act.

PASSED, APPROVED, AND ADOPTED this 16th day of November, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I **HEREBY CERTIFY** that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 16th day of November, 2015, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

INSTRUCTIONS

This resolution form is the approved form designated by the California Public Employees' Retirement System (CalPERS). It should be used by a contracting agency subject to Public Employees' Medical and Hospital Care Act (PEMHCA) when the agency desires to rescind postretirement health benefits vesting requirements under Section 22893 of the Government Code.

The resolution is **effective on the first day of the second month** following the month in which the resolution is filed (date stamped as received by CalPERS; See address below).

- WHEREAS, (1) should be completed with full name of the contracting agency and recognized employee organization.
- WHEREAS, (2) should be completed with full name of the contracting agency.
- RESOLVED, (a) should be completed with full name of the contracting agency.
- RESOLVED, (b) (choose the appropriate paragraph)
- RESOLVED, (b) should be completed with the original vesting basis date (effective date) of the vesting resolution and original vesting resolution number.
- RESOLVED, (c) should be completed with full name of the contracting agency.
- RESOLVED, (d) should be completed with full name of the contracting agency.
- RESOLVED, (e) requests the position title of the individual who handles the PEMHCA resolution for the contracting agency.
- RESOLVED, (e) should be completed with full name of the contracting agency.

Because resolutions serve as a legally binding document, we require the original resolution, certified copy with original signatures, or a copy of the resolution with the agency's raised seal.

For resolution processing, deliver to the following:

Overnight Mail Service

California Public Employees' Retirement System
Health Contracts Unit
400 Q Street
Sacramento, CA 95811-6210

Regular Mail

California Public Employees' Retirement System
Health Contracts Unit
PO BOX 942714
Sacramento, CA 94229-2714

The certification shown following the resolution is to be completed by those individuals authorized to sign for the contracting agency in legal actions and is to include the name of the executive body; i.e. Board of Directors, Board of Trustees, etc., the location and the date of signing.

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Brian Saeki, City Manager
By: Nick Kimball, Finance Director

Date: November 16, 2015

Subject: Consideration to Approve a Purchase Order with Dell for the Purchase of Software for the Network Server Upgrade Project

RECOMMENDATION:

It is recommended that the City Council:

- a. Approve a Purchase Order in the amount of \$45,445.39 with Dell for the purchase of software for the Network Server Upgrade Project; and
- b. Authorize the City Manager to execute the Purchase Order.

BACKGROUND:

1. The City has aging core server hardware, including virtual infrastructure, host servers, and storage area network hardware that are at or near their end of life. Most of the City's servers are running Microsoft Server 2003, which had a scheduled end of life on July 14, 2015 and is no longer being supported by Microsoft.
2. On July 20, 2015, City Council approved the purchase of a blade server system to significantly increase the City's processing power, storage capacity, and system stability.

ANALYSIS:

The new server system has been received and IT staff is preparing for the migration of all applications, databases, and files to the new server. In order to move forward with the migration, the City needs to purchase operating software (Microsoft Server 2012), server virtualization software (VMWare), and user licenses.

Staff received a quote from Dell to provide the necessary software and licenses. Dell provided a quote using pricing through a Master Agreement with the Western States Contracting Alliance

Consideration to Approve a Purchase Order with Dell for the Purchase of Software for the Network Server Upgrade ProjectPage 2 of 2

– National Association of State Procurement Professionals (WSCA-NASPO), a multi-state purchasing cooperative that makes competitively bid pricing contracts available for use by public agencies.

In accordance with Section 2-810(a) of the City Code, the proposed software and licensing is being offered through piggybacking on NASPO ValuePoint Contract #MNWNC-108 awarded through a competitively bid contract for computer hardware and software. Since this procurement exceeds \$25,000, piggybacking on the WSCA contract meets the City Code's formal contract bid requirements.

BUDGET IMPACT:

The Fiscal Year 2015-2016 Adopted Budget includes funding for various software licensing and maintenance agreements. Due to the Network Server Upgrade Project, some of these licensing and maintenance agreements will not need to be renewed or will be replaced with the licenses and agreements being proposed. It is anticipated that the savings will be sufficient to fund this purchase. Staff will evaluate the adequacy of the savings at mid-year and propose adjustments during the mid-year budget presentation, if necessary. Ongoing licensing and maintenance agreements will be included in future annual budgets.

CONCLUSION:

Completely replacing the City's technology backbone is a critical project that will greatly improve the stability and utility of the City's business applications. It is necessary to purchase upgraded and compatible operating system software, server virtualization software, and user licenses to maximize the use of the upgraded server hardware that was recently purchased.

ATTACHMENT:

A. Dell Quote

**QUOTATION**

Quote #: 717550869
Customer #: 11435804
Contract #: WN03AGW
Customer Agreement #: 7-15-70-34-003
Quote Date: 10/21/2015
Date: 10/21/2015 **Customer Name:** CITY OF SAN FERNANDO

Thanks for choosing Dell! Your quote is detailed below; please review the quote for product and informational accuracy. If you find errors or desire certain changes please contact your sales professional as soon as possible.

Sales Professional Information

SALES REP:	MELISSA MAUCH	PHONE:	1800 - 4563355
Email Address:	Melissa_Mauch@Dell.com	Phone Ext:	80000

SOFTWARE & ACCESSORIES**GROUP TOTAL: \$45,445.39**

Product	Quantity	Unit Price	Total
VLA WINDOWS SERVER STD PER 2 PROCESSORS 2012 R2 (A7494703)	25	\$644.62	\$16,115.50
VLA WINDOWS SERVER USER CAL 2012 (A7463574)	200	\$27.78	\$5,556.00
VLA SQL SERVER STD 2014 (A7639348)	5	\$655.41	\$3,277.05
VLA SQL USER CAL 2014 (A7639464)	80	\$152.45	\$12,196.00
VLA VMWARE VCTR SVR 6 STD VSPH6 PER INSTAN (A8263828)	1	\$4,611.34	\$4,611.34
VLA VMWARE PROD SUP/SUB VMWARE VCENTER SERVER 6 STANDARD FOR VSPHERE 6 1YR (A8263500)	1	\$1,220.90	\$1,220.90
VLA VMWARE VSPHERE 6 STANDARD FOR 1 PROCESSOR (A8262891)	2	\$918.57	\$1,837.14
VLA VMWARE PROD SUP/SUB VSPHERE 6 STANDARD FOR 1 PROCESSOR FOR 1 YEAR (A8263519)	2	\$315.73	\$631.46

*Total Purchase Price:	\$45,445.39
Product Subtotal:	\$45,445.39
Tax:	\$0.00
Shipping & Handling:	\$0.00
State Environmental Fee:	\$0.00
Shipping Method:	LTL 5 DAY OR LESS

(* Amount denoted in \$)

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Richard Padilla, Deputy City Attorney

Date: November 16, 2015

Subject: Consideration and Approval of First Amendment to City Manager Employment Agreement

RECOMMENDATION:

It is recommended that the City Council approve the First Amendment (Attachment "A" – Contract No. 1737(a)) to the City Manager Employment Agreement.

BACKGROUND:

On March 25, 2014, the City of San Fernando executed and entered into an employment agreement (hereinafter, the "Master Agreement" – Attachment "B") with City Manager Brian Saeki. Section 1.9 of the Master Agreement allows the City Council to conduct an annual performance review of the City Manager. Based on such review, the City Council, among other things, may consider whether any adjustments or enhancements should be considered and approved as relates to the City Manager's compensation terms. The First Amendment to the Master Agreement modifies certain terms set forth under the Master Agreement.

ANALYSIS:

The salient amendments to the Master Agreement, as set forth in the First Amendment document, include the following:

1. The Master Agreement is now subject to a fixed term of three years commencing December 1, 2015 – as opposed to the current open-ended term;
2. The City Council will be obligated to give Saeki six months prior written notice if they do not intend to extend his contract beyond the three-year term. If the City Council does not notify Saeki of its desire not to extend the City Manager's contract beyond the three-year term by the deadline referenced above, the contract will extend beyond the three-year term but the City will still retain the right to terminate Saeki for convenience on six months' notice. Under this latter circumstance, Saeki would not be entitled to

Consideration and Approval of First Amendment to City Manager Employment AgreementPage 2 of 2

receive severance for any termination for convenience that occurs after the initial three-year term;

3. The six months' severance Saeki is currently entitled to if, and only if, he is terminated for convenience (as opposed to being terminated for cause) is increased to 12 months. As with the current Master Agreement, Saeki would receive COBRA benefits for a period no greater than the 12-month severance period;
4. In lieu of receiving severance, the City Manager may instead elect to be placed on 12-month administrative leave, also with medical benefits and as an ongoing participant in the City's CalPERS program. However, in electing to be placed on administrative leave, Saeki would forego the right to receive severance and would also forego the right to receive additional annual leave and other allowances (Saeki would not lose his previously accrued but unused leave);
5. If Saeki elects to be placed on administrative leave in lieu of receiving severance, he would also be removed from administrative leave as soon as he commences full-time employment elsewhere;
6. The amendment also provides that Saeki cannot accrue additional annual leave during any period in which his total annual leave bank, including previously accrued annual leave exceeds 300 hours; and
7. While on administrative leave, Saeki would not be permitted to exercise the duties and functions of City Manager.

CONCLUSION:

It is recommended that the City Council approve Contract No. 1737(a) subject to the terms set forth above or such other terms as the City Council may deem necessary or desirable.

ATTACHMENTS:

- A. Contract No. 1737(a) Draft – First Amendment
- B. Contract No. 1737 City Manager Employment Agreement (March 25, 2014)

ATTACHMENT "A"

CONTRACT NO. 1737(a) (First Amendment)

PRELIMINARY DRAFT – NOVEMBER 11, 2015 (V3.0)

2015
FIRST AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT
 (Brian Saeki)

THIS FIRST AMENDMENT ("Amendment") to that certain agreement entitled "2014 – City Manager Employment Agreement (Brian Saeki)", Contract No. 1737, executed by and between the CITY OF SAN FERNANDO ("City") and BRIAN SAEKI, an individual ("Contractor") is made and entered into this _____ day of November 2015 ("Effective Date") For purposes of this Amendment, the capitalized term "Parties" shall be a collective reference to both City and Contractor. The capitalized term "Party" may refer to either City or Saeki as appropriate.

RECITALS

WHEREAS, the Parties executed and entered into an agreement dated March 25, 2014 and entitled "2014 City Management Employment Agreement (Brian Saeki)", Contract No. 1737 (hereinafter, the "Master Agreement") (A true and correct copy of the Master Agreement is attached and incorporated hereto as Exhibit "A"); and

WHEREAS, the Parties have completed an annual performance review of Saeki prescribed under Section 1.9 of the Master Agreement and wish to amend and modify certain terms and conditions set forth in the Master Agreement; and

WHEREAS, Section 4.5 (Amendments) of the Master Agreement allows the Parties to amend the Master Agreement provided such amendments are made in writing; and

WHEREAS, execution of this Amendment was approved in open session at the City Council's regular meeting of November 16, 2015 as required under Government Code Section 53262

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

SECTION 1. The Master Agreement is amended to establish a fixed term of three (3) years commencing from December 1, 2015. In keeping with the foregoing, Section 1.2.A of the Master Agreement is hereby amended in its entirety to state the following:

A. Base Term.

- 1. Commencing as of December 1, 2015, this Agreement shall have a fixed term of three (3) years. The foregoing notwithstanding, SAEKI's employment with the CITY shall be at-will and SAEKI shall at all times serve at the pleasure of and at the convenience of the City Council of the CITY. SAEKI shall have not vested right to a full three-year employment term. This Agreement may be terminated by either Party at any time for convenience subject to the notification and termination provisions prescribed in this Agreement. The City Council reserves the right, but**

CONTRACT NO. 1737(a) (First Amendment)

PRELIMINARY DRAFT – NOVEMBER 11, 2015 (V3.0)

- assumes no obligation, to agree to an extension to the 3-year term referenced above.
2. **The City Council will provide SAEKI with written notice of its desire not to extend the Agreement beyond the three-year term which notice shall be sent no less than six (6) months prior to the end the three-year term. If notice is not provided prior to the deadline for notice specified in the preceding paragraph, the Agreement shall extend beyond the three-year term but the City Council shall be authorized to terminate the Agreement on no less than six months prior written notice to SAEKI. SAEKI, however, shall not be entitled to severance payments referenced under Section 3.3.A for any such termination which takes effect after the expiration of the initial three-year term**

SECTION 2. Subsection 3.3.A (Separation for Convenience and Without Cause; Severance) of the Master Agreement is hereby amended in its entirety to state the following:

3.3.A

1. **In the event SAEKI is terminated for convenience and without cause by the City Council while SAEKI is willing and able to perform the duties and responsibilities of City Manager under this Agreement, then in that event the CITY agrees to pay SAEKI a lump sum cash payment equal to twelve (12) months' worth of SAEKI's annual Base Salary at the time of separation [i.e., the prorated value of one months' worth of SAEKI's annual Base Salary at the time of separation multiplied by twelve].**
2. **Unless otherwise prohibited by applicable law, in lieu of and in place of severance, SAEKI may elect to be placed on administrative leave for a maximum period of twelve (12) months commencing from the date originally designated by the City Council in its notice of termination for convenience as being the date by which SAEKI's employment with the City would have terminated.**
3. **If at any time during the 12-month period in which SAEKI is placed on administrative leave, SAEKI commences any full-time employment with another person or entity in any capacity, SAEKI's administrative leave and employment with the City shall immediately terminate and SAEKI shall at such time cease to be an employee of the CITY. By requesting that he be placed on a maximum of twelve months' administrative leave in lieu of receiving twelve months' severance, SAEKI agrees to waive any right or claim to receive severance and releases the CITY from any obligation to pay SAEKI any amount of severance thereafter.**
4. **At such time as SAEKI is placed on administrative leave, SAEKI acknowledges, understands and agrees that he shall have no authority to exercise any of the powers and duties of City Manager as may be set forth in this Agreement, under the San Fernando Municipal or state law and SAEKI shall have no right to inspect records of the CITY other than those records available to members of the public by applicable law. SAEKI shall also have no right to any office space at City Hall or at any other City facility and shall not be entitled to access to any areas of City Hall or other City facilities not otherwise accessible to members of the public.**

CONTRACT NO. 1737(a) (First Amendment)

PRELIMINARY DRAFT – NOVEMBER 11, 2015 (V3.0)

5. **Notwithstanding any other provision of this Agreement to the contrary, in the event SAEKI elects to be placed on administrative leave, in lieu of receiving severance, SAEKI further agrees that he shall: (i) waive any and all right to continue accruing any variety of leave benefits, including any and all Annual Leave which may be specified under the Agreement or under any other policy of the City; and (ii) waive any and all right to allowances, including but not limited to car allowances, or any right to equipment provided by the City such as cell phones, laptops or other similar devices. All equipment and devices provided to SAEKI shall be returned to the CITY as a condition to being placed on administrative leave.**

SECTION 3. Subsection 3.3.B of the Master Agreement is hereby amended in its entirety to now state the following:

3.3.B.

1. **In the event SAEKI elects to receive severance, CITY shall extend to SAEKI the right to continued health insurance as may be required by and pursuant to the terms and conditions of the Consolidated Omnibus Reconciliation Act of 1986 (“COBRA”). In the event SAEKI elects to receive severance, CITY agrees to pay for SAEKI’s COBRA coverage for the same number of months for which SAEKI is entitled to a lump sum cash payment under Section 3.3(A), or until SAEKI either secures and commences full-time employment with another person or entity or obtains other health insurance, whichever of these three events first occurs. SAEKI shall notify the CITY within five (5) calendar days of securing and commencing new full-time employment or insurance.**
2. **In the event SAEKI elects to be placed on administrative leave in lieu of receiving severance, SAEKI shall continue to receive benefits and compensation afforded under Section 2.2 (Retirement/Deferred Compensation) and 2.6 (Medical, Dental and Vision Insurance) until the earlier of the following: (i) the date that is twelve months from the date SAEKI’s termination for convenience would have taken effect had SAEKI elected to receive severance; or (ii) the date SAEKI secures and commences full-time employment with any other person or entity.**

SECTION 4. Subsections A through C of Section 2.3 (Annual Lave (Vacation and Sick)) are hereby repealed and replaced with a new subsection A which shall state the following:

SAEKI shall receive Annual Leave which may be used for the same purposes as Annual Leave referenced under Resolution No. 7692 of the City Council approved August 3, 2015. The provisions of Resolution No. 7692 notwithstanding, SAEKI shall accrue Annual Leave at a rate of ten (10) hours of Annual Leave per month for a total of one hundred and twenty (120) hours of Annual Leave per calendar year. Annual Leave is provided in lieu of vacation and sick leave provided to other employees of the CITY. The foregoing notwithstanding, in no event may SAEKI accrue additional Annual Leave during any period of time in which his total bank of Annual Leave exceeds three hundred (300) hours total (hereinafter, the “Annual Leave Maximum”). As November

CONTRACT NO. 1737(a) (First Amendment)

PRELIMINARY DRAFT – NOVEMBER 11, 2015 (V3.0)

██████████, 2015, SAEKI's bank of Annual Leave totals ██████████ hours (hereinafter, the "Pre-Existing Annual Leave Hours"). The Pre-Existing Annual Leave Hours shall be counted toward SAEKI's Annual Leave Maximum.

Existing subsection D of Section 2.3 is hereby re-lettered to be subsection B.

SECTION 5. Except as otherwise set forth in this Amendment, the Master Agreement shall remain binding, controlling and in full force and effect. The provisions of this Amendment shall be deemed a part of the Master Agreement and except as otherwise provided under this Amendment, the Master and all provisions contained therein shall remain binding and enforceable. In the event of any conflict or inconsistency between the provisions of this Amendment and the provisions of the Master Agreement, the provisions of this Amendment shall govern and control, but only in so far as such provisions conflict with the Master Agreement and no further.

SECTION 6. The Master Agreement as amended by way of this Amendment is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between City and Saekiprior to the execution of the Master Agreement as amended by way of this Amendment. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment, modification or supplement to the Master Agreement as amended by this Amendment shall be valid and binding unless in writing and duly executed by the Parties in the form of a written contract amendment.

[SIGNATURE PAGE TO FOLLOW]

CONTRACT NO. 1737(a) (First Amendment)

PRELIMINARY DRAFT – NOVEMBER 11, 2015 (V3.0)

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed on the day and year first appearing above.

CITY:

SAEKI

City of San Fernando

Brian Saeki, an individual:

By: _____
Joel Fajard
Mayor

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

CONTRACT NO. 1737(a) (First Amendment)

PRELIMINARY DRAFT – NOVEMBER 11, 2015 (V3.0)

Exhibit A
Master Agreement

CONTRACT NO. 1737

2014

CITY MANAGER EMPLOYMENT AGREEMENT

(Brian Saeki)

THIS 2014 CITY MANAGER EMPLOYMENT AGREEMENT ("Agreement") is made and entered into on this 25th day of March 2014 ("Effective Date") by and between the CITY OF SAN FERNANDO, a municipal corporation and general law city ("CITY") and BRIAN SAEKI, an individual ("SAEKI"). For purposes of this Agreement, the capitalized term "Parties" shall be a collective reference to both CITY and SAEKI. The capitalized term "Party" may refer to either CITY or SAEKI interchangeably and reasonably appropriate.

RECITALS

THIS AGREEMENT is made and entered into in consideration of the following:

WHEREAS, CITY desires to engage and employ SAEKI to serve as the City Manager of the City of San Fernando ("City Manager") as that position is generally described under Division 2 (City Manager) of Title III (Officers and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code; and

WHEREAS, the City Council finds that SAEKI possesses the education, training, experience and expertise necessary to perform the duties of City Manager; and

WHEREAS, SAEKI desires to accept employment as City Manager subject to the consideration, terms and conditions set forth under this Agreement; and

WHEREAS, the City Council approved this Agreement and the execution of the same in open session at its meeting of March 3, 2014 as required under Government Code Section 53262.

NOW, THEREFORE, for and in consideration of the mutual agreements contained herein, CITY and SAEKI agree as follows:

SECTION 1. POSITION, TERM, DUTIES**1.1 Employment as City Manager**

This Agreement establishes the terms and conditions of employment of SAEKI as the City Manager of CITY.

1.2 Duration of Employment

A. SAEKI's employment with CITY shall be at-will and SAEKI shall at all times serve at the pleasure of and at the convenience of the City Council of CITY. This Agreement may be terminated by either Party at any time for convenience subject to the notification and termination provisions prescribed in this Agreement.

B. The foregoing notwithstanding, nothing in this Section shall operate to prohibit, modify or otherwise restrict the City Council's ability to terminate SAEKI's employment at any time for cause. Nothing in this section shall prevent, limit, or otherwise interfere with the right of SAEKI to voluntarily terminate or resign at any time from his position with the CITY, subject to the notification and termination provisions hereunder.

C. The Effective Date of this Agreement notwithstanding, SAEKI shall not commence work or assume the duties and responsibilities of City Manager as set forth herein until March 25, 2014 (hereinafter, the "Start Date"). Subject to the rights of the Parties to terminate this Agreement for convenience or for cause as provided herein, this Agreement shall be for an indefinite term commencing from the Effective Date.

1.3 Duties and Responsibilities

A. SAEKI shall perform the duties and functions of the City Manager as specified under the laws of the State of California, the San Fernando Municipal Code, the ordinances and resolutions of the CITY and this Agreement. SAEKI shall also perform such other duties and functions as the City Council may assign from time to time.

B. SAEKI shall serve as the City Manager and shall be vested with the powers, duties and responsibilities of the City Manager as set forth in Division 2 (City Manager) of Title III (Officers and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code ("Division 2"), as the same may be amended or modified from time to time by the City Council. SAEKI's performance of his duties shall be subject to the direction and oversight of the City Council. It is the intent of the Parties that SAEKI shall use all reasonable efforts to keep the City Council fully informed of all significant operations or major undertakings of the CITY. SAEKI's duties and responsibilities shall include, but are not limited to, the following:

1. SAEKI shall be the administrative head of the government of the CITY under the direction and control of the City Council except as otherwise provided in Division 2 of the City of San Fernando Municipal Code. The City Manager shall be responsible for the efficient administration of all affairs of the CITY which are under his control.
2. SAEKI shall perform all the duties of the City Manager as set forth in Section 2-121 of Division 2 of the City of San Fernando Municipal Code (the "Municipal Code"), the California Government Code, and CITY policies and procedures approved by the City Council, as they may be provided from time to time. The City Manager shall also perform other legally permissible and proper duties and functions as the City Council may assign from time to time.
3. The City Council may also designate SAEKI as the administrative head of other CITY-related legal entities. Such other legal entities could include financing authorities, joint powers authorities and/or the Successor Agency to the San Fernando Redevelopment Agency.
4. SAEKI shall administer and enforce policies established by the City Council and promulgate rules and regulations as necessary to implement such policies.

1.4 Hours of Work

A. The position of City Manager shall be deemed an exempt position under state and federal wage and hour laws. SAEKI's compensation (whether salary or benefits or other allowances) is not based on hours worked and SAEKI shall not be entitled to any compensation for overtime.

B. SAEKI shall be allowed reasonable flexibility in setting his own office hours, provided: (i) SAEKI maintains a reasonably substantial onsite presence at City Hall during normal CITY business hours; and (ii) SAEKI is reasonably available to members of the City Council, CITY staff and members of the community on a regular and routine basis that generally conforms to the CITY's normal business hours as the same may be amended from time to time by the City Council.

C. Consistent with subsection B, above, SAEKI's work hours may generally conform to the 9/80 work schedule afforded department heads and directors, however, SAEKI understands that the duties, demands and responsibilities of the office of City Manager may from time to time require that he work days and hours that do not strictly conform to the 9/80 schedule generally afforded to other executive level staff and shall be available to discharge the duties and responsibilities of City Manager at all times as reasonably necessary.

1.5 Regional and Professional Activities

The City Council desires that SAEKI be reasonably active in professional organizations that will promote the standing of the CITY and advance the CITY's goals, interests and policy objectives while also providing SAEKI with opportunities for the type of professional development that will enhance his ability to serve the CITY and perform his duties as City Manager. Toward this end, SAEKI may, upon reasonable notice and approval by the City Council, join professional organizations and participate in the activities of such organizations insofar as such participation promotes the interests of the CITY and does not unduly interfere with the performance of SAEKI's duties as City Manager. These activities may include, without limitation, participation in the California Contract Cities Association, California League of Cities, Independent City Association, City Management Foundation or other similar national, statewide, regional or professional organizations provided that such activities do not in any way interfere with or adversely affect SAEKI's performance as City Manager. Subject to funding availability as determined by the City Council in its sole and absolute discretion, CITY may pay for the dues and subscriptions of the City Manager necessary for his participation in national, statewide, regional or professional organizations.

1.6 Residence

SAEKI shall not be required to reside within the territorial boundaries of the CITY. The foregoing notwithstanding, SAEKI shall maintain a permanent residence within a reasonable distance to the CITY so as to permit SAEKI travel to the CITY within sixty (60) minutes in the event of CITY emergencies.

1.7 Conflicts of Interest

SAEKI shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of the CITY, except for stock ownership in any company whose

capital stock is publicly held and regularly traded, without prior approval of the City Council. SAEKI shall further refrain from developing a financial stake in any commercial venture or partnership with any entity doing business with the CITY where such financial stake would create a violation of Government Code Section 1090. For and during the term of this Agreement and any extension term, SAEKI further agrees that except for a personal residence or residential property acquired or held for future use as his personal residence, SAEKI will not invest in any other real estate or property improvements within the corporate limits of the CITY without the prior consent of the City Council and subject to the restrictions of all applicable financial conflict of interest laws.

1.8 ICMA Code of Ethics

A. SAEKI agrees to become a member of the International City/County Management Association ("ICMA"). The Parties mutually desire that SAEKI shall comply with the latest published edition of the ICMA Code of Ethics, provided such compliance is not inconsistent with or contrary to the laws of the State of California or the San Fernando Municipal Code.

B. CITY and the City Council agree that neither the City Council nor any of its members will give SAEKI any order, direction, or request that would require SAEKI to violate the ICMA Code of Ethics, unless such direction or request is authorized by the laws of the State of California or the San Fernando Municipal Code.

1.9 Performance Evaluation

A. Annual performance evaluations are an important way for the City Council and SAEKI to ensure effective communications about expectations and performance. The City Council reserves the right to conduct a general job performance evaluation and review of SAEKI once each fiscal year, which review shall be completed no later than May 31st of each fiscal year but commenced no sooner than March 1st of the same fiscal year.

B. In conducting the review the Parties may, but shall not be required to, use the services of a professional consultant selected by the City Council. The job performance evaluation and review shall serve the following purposes and objectives: (i) to evaluate SAEKI's overall job performance over the course of the fiscal year; (ii) to identify areas of notable progress and/or accomplishment and identify ways to sustain and/or improve upon such progress and/or accomplishments; (iii) to identify areas requiring improvement and how such improvement might be accomplished; (iv) to measure SAEKI's success in meeting, achieving and/or exceeding City Council-defined goals, objectives, priorities, activities and programs over the fiscal year or since the last performance evaluation and review; (v) to establish goals, objectives, and priorities for the upcoming year; (vi) to determine what, if any, adjustments or enhancement should be considered and approved to SAEKI's compensation terms.

C. The failure of CITY to undertake a performance evaluation shall not limit CITY's ability to terminate this Agreement pursuant to Section 3, below. Nothing in this Section 1 shall be construed to restrict or otherwise limit the ability of the CITY to undertake any other review or investigation of SAEKI during the course of a fiscal year which the City Council may deem necessary to address any allegation of unlawful or inappropriate conduct or other wrongdoing.

SECTION 2. BASE COMPENSATION; BENEFITS AND REIMBURSEMENTS

2.1 Base Salary

CITY shall pay SAEKI an annual base salary of One Hundred and Eighty-Five Thousand Dollars (\$185,000.00) per year (hereinafter, the "Base Salary"), subject to deductions for taxes, deferred compensation and other out-of-pocket benefits paid for by SAEKI as a CITY executive management employee. CITY shall pay SAEKI in bi-weekly installments at the same time other employees of CITY are paid. Following the completion of the fiscal year 2014-2015 performance review of SAEKI, the City Council shall consider, but shall be under no obligation to approve, an increase to SAEKI's Base Salary, provided further that any approved increase shall not take effect earlier than July 1, 2015. SAEKI shall be entitled to the \$100 per month bilingual bonus if eligible under CITY policies.

2.2 Retirement/Deferred Compensation

SAEKI shall receive any and all employee retirement and deferred compensation benefits otherwise accorded CITY's executive management employees, consistent with CITY policies, including the CITY policy through the Public Employees Retirement System ("PERS") and applicable law. As of the Effective Date of this Agreement, the CITY policy through PERS consists of (i) 2% at 55 formula integrated with Social Security for classic members, with an employee contribution of 3.5% or (ii) 2% at 62 formula integrated with Social Security for new PERS members, with an employee contribution of 3.5%. SAEKI shall be subject to one of the two PERS formulas detailed in the preceding sentence as prescribed by applicable law, including applicable PERS regulations. SAEKI shall also be eligible for deferred compensation through voluntary contribution to the 457 Deferred Compensation plan available through the ICMA.

2.3 Annual Leave (Vacation and Sick)

A. Vacation Leave. Commencing on the Start Date, SAEKI shall commence to accrue vacation leave at a rate of ten (10) hours of vacation leave per month for a total of one hundred and twenty (120) hours or fifteen (15) business days of annual vacation leave per calendar year.

B. Sick Leave. Commencing on the Start Date, SAEKI shall commence to accrue sick leave at a rate of eight (8) hours of sick leave per month for a total of ninety six (96) hours or twelve (12) business days of annual sick leave per calendar year. Sick leave shall be used by SAEKI only in cases of actual sickness or disability of SAEKI or a member of SAEKI's immediate family, including SAEKI's dependents.

C. Subsections A and B notwithstanding, at no time shall SAEKI accrue more than eight hundred (800) hours or one hundred (100) business days of total annual leave, including both vacation and sick leave ("annual leave"). In recognition of the foregoing, SAEKI shall cease to accrue any additional annual leave time so long as his total accrued but unused annual leave remains at 800 hours or 100 business days total.

D. Except as otherwise provided under Government Code Section 53243 or other applicable law, upon voluntary or involuntary separation from the CITY, SAEKI may cash-out the unused balance of his total accrued annual leave. The cash out shall be in an amount equal

to the total number of unused annual leave hours multiplied by the quotient of SAEKI's annual base salary at the time of separation divided by two thousand eighty (2,080) hours.

2.4 Management Leave

A. Upon the Start Date of this Agreement, SAEKI shall be allocated Management Leave at a rate of one hundred and twenty (120) hours or fifteen (15) business days per calendar year; provided, however that the first allocation shall be prorated to reflect the fact that between January 1, 2014 and the Start Date, SAEKI shall not have commenced working for the CITY. Thereafter, SAEKI shall be allocated one hundred and twenty (120) hours or fifteen (15) business days per calendar year of Management Leave on the 1st day of January of each calendar year.

B. Subsection A notwithstanding, any annually allocated Management Leave that remains unused as of December 31st of each calendar year shall be cashed-out in an amount equal to the total number of unused Management Leave hours multiplied by the quotient of SAEKI's annual base salary as of close of business on December 31st of the subject year divided by two thousand eighty (2,080) hours.

C. Except as otherwise provided under Government Code Section 53243 or other applicable law, upon voluntary or involuntary separation from the CITY, SAEKI may cash-out the unused balance of his total accrued Management Leave at the time of separation. The cash out shall be in an amount equal to the total number of unused Management Leave hours multiplied by the quotient of SAEKI's annual base salary at the time of separation divided by two thousand eighty (2,080) hours.

2.5 Holidays

SAEKI shall receive paid holidays in accordance with CITY's current practices as such practices may be amended or modified from time to time by the CITY by action of the City Council. Paid holidays will be those approved by the CITY by action of the City Council. The CITY currently provides twelve (12) paid holidays per calendar year.

2.6 Medical, Dental and Vision Insurance

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, SAEKI shall receive any and all employee medical, dental, and vision insurance benefits otherwise accorded CITY's executive management employees, as of the Effective Date of this Agreement and as those benefits may be changed from time to time.

2.7 Automobile Allowance

CITY recognizes that SAEKI's duties as City Manager may require extensive use of an automobile in the ordinary course of performing his duties as City Manager. Accordingly, CITY, as added compensation, shall provide SAEKI with an automobile allowance in the amount of Four Hundred Dollars (\$400.00) per month to assist SAEKI with the cost of using and operating his own private vehicle and to offset expenses such as gasoline, auto insurance, maintenance, repair and other automobile related costs and expenses. SAEKI shall be responsible for maintaining and paying for liability insurance as required by State law and for all operating, maintenance and repair costs of SAEKI's automobile and for any other automobile-related expenses in excess of the allowance set forth herein.

2.8 Cellular Phone Allowance; Other Necessary and Customary Business Equipment and Facilities; Special Electronic Equipment

A. CITY recognizes that SAEKI's duties as City Manager may require extensive use of a cell phone in the ordinary course of performing his duties as City Manager. Accordingly, CITY shall provide SAEKI with a cell phone allowance in the amount of Sixty Dollars (\$60.00) per month for the use of SAEKI's personal cell phone to conduct CITY business. CITY shall not be responsible for any cellular phone related expenses in excess of the allowance set forth herein nor shall SAEKI be entitled to reimbursement for such expenses pursuant to Section 2.9.

B. The CITY shall provide SAEKI with other customary and necessary equipment and facilities reasonably required for SAEKI to perform his duties and functions as City Manager such as an office within City Hall, a landline telephone in the City Hall office, a desktop computer, business cards, business stationary and the like. All such equipment and facilities made available to SAEKI shall at all times remain the property of the CITY and SAEKI acknowledges, understands and agrees that he shall have no right of privacy to such equipment or any data or information stored in such equipment or facilities.

C. The City Council reserves the right but does not assume the obligation to provide SAEKI at CITY's expense, special electronic communications equipment such as an iPad. All such equipment and facilities made available to SAEKI shall at all times remain the property of the CITY, and SAEKI acknowledges, understands and agrees that he shall have no right of privacy to such equipment or any data or information stored in such equipment or facilities.

2.9 Reimbursement for Expenses Not Covered by Allowances

Excluding those expenses already covered by the supplemental compensation allowances set forth under Sections 2.7 and 2.8 above, CITY shall reimburse SAEKI for reasonable and necessary travel, subsistence and other business expenses incurred by SAEKI in the performance of his duties or in connection with SAEKI's participation in those authorized activities referenced under Section 1.3, above. All reimbursements shall be subject to and in accordance with any limitations or restrictions set forth under the laws of the State of California and any CITY-adopted reimbursement policies as either may be adopted, updated or otherwise amended from time to time.

2.10 Long Term Disability

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, SAEKI shall receive any and all employee long term disability program benefits otherwise accorded CITY's executive management employees, as prescribed as of the Effective Date of this Agreement and as those benefits may be changed from time to time.

2.11 Term Life Insurance

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, SAEKI shall receive any and all term life insurance program benefits otherwise accorded CITY's executive management employees, as prescribed as of the Effective Date of this Agreement and as those benefits may be changed from time to time.

2.12 Jury Duty

SAEKI will receive full pay and benefits while responding to a jury summons or serving on a jury, up to a maximum of fourteen (14) business days. Any compensation for such jury duty (except travel pay) shall be remitted to CITY.

2.13 Other Benefits

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, SAEKI shall receive any and all other benefits granted to all of the CITY's executive management employees under State law, the San Fernando Municipal Code and other lawful CITY policies, rules and regulations, as those benefits may be changed from time to time.

SECTION 3. EMPLOYMENT "AT-WILL"; SEPARATION FROM EMPLOYMENT

3.1 Employment with CITY is "at-will"

A. SAEKI's employment status with CITY shall be at-will and SAEKI shall serve at the pleasure of the City Council as provided under Government Code Section 36506. CITY, through the City Council, may at any time terminate SAEKI's employment with the CITY with or without cause by majority vote of its full membership (i.e., by no less than three affirmative votes). SAEKI acknowledges, understands and agrees that SAEKI may not avail himself of any procedures, provisions or protections set forth under the CITY's Employment Policies, as defined herein, insofar as such procedures, provisions or protections limit, restrict, modify, prohibit or regulate SAEKI's status as an "at-will" employee of CITY or the ability of the City Council to terminate SAEKI's employment at any time for cause or for convenience. For purposes of this Agreement, the capitalized term "Employment Policies" means and refers to any ordinance, resolution, regulation, rule or other written policy of the CITY as the same may be amended, modified or supplemented from time to time (including but not limited to the San Fernando Municipal Code and any written employment manual of the CITY) which governs, regulates or otherwise relates to employment with the CITY. The CITY's Employment Policies shall not apply to SAEKI insofar as such Employment Policies limit, restrict, modify or regulate (or may be interpreted to limit, restrict, modify or regulate) SAEKI's status as an "at-will" employee of CITY.

B. Except as otherwise provided under this Section 3, SAEKI shall not be entitled to any pre-termination hearing or other similar proceeding or appeal proceeding as a precondition to any decision or action by the City Council to terminate SAEKI's employment whether for cause or for convenience.

C. Nothing in this Agreement shall confer upon SAEKI any right to any property interest in continued employment with the CITY.

3.2 Resignation/Retirement

A. SAEKI may resign and/or retire from his employment with the CITY at any time for any reason, provided SAEKI provides the City Council with written notice of his intent to so terminate his employment at least forty-five (45) calendar days prior to the effective date of separation.

B. The City Council in its sole and absolute discretion may waive or shorten the 45-day prior written notice requirement provided the request for such waiver is made in writing by SAEKI and further provided that the City Council's waiver of the notice requirement is also made in writing.

C. The failure of SAEKI to provide the prior written notice required under this Section shall constitute a material breach of this Agreement.

3.3 Separation for Convenience and Without Cause; Severance

A. In the event SAEKI is terminated for convenience and without cause by the City Council while SAEKI is willing and able to perform the City Manager's duties under this Agreement, then in that event the CITY agrees to pay SAEKI a lump sum cash payment equal to six (6) months' worth of SAEKI's annual Base Salary at the time of separation [i.e., the prorated value of one months' worth of SAEKI's annual Base Salary at the time of separation multiplied by six].

B. CITY shall extend to SAEKI the right to continued health insurance as may be required by and pursuant to terms and conditions of this Consolidated Omnibus Reconciliation Act of 1986 ("COBRA"). The CITY agrees to pay SAEKI's COBRA coverage for the same number of months for which SAEKI is entitled to a lump sum cash payment under Section 3.3(A), or until SAEKI either secures and begins full-time employment or obtains other health insurance, whichever of these three events first occurs. SAEKI shall notify the CITY within five (5) calendar days of securing new full-time employment or insurance.

C. All payments required under Section 3.3(A) or 3.3(B), above, are subject to and shall be interpreted to comply with the limitations set forth in Government Code Section 53260. Further, in the event SAEKI is convicted of a crime involving an abuse of office or position, SAEKI shall reimburse the CITY for any paid leave or cash settlement (including severance), as provided by Government Code Sections 53243 through 53243.4.

D. The foregoing notwithstanding, CITY shall not exercise its right to terminate SAEKI for convenience and without cause during the 90-day period immediately preceding or the 90-day period immediately following any General Municipal Election of the CITY in which two or more City Council seats are subject to an election contest or during the 90-day period immediately preceding or the 90-day period immediately following any Special Municipal Election of the CITY in which two or more City Council seats are subject to an election contest.

3.4 Separation for Cause

A. Notwithstanding the provisions of Section 3.3, above, SAEKI may be terminated for cause. As used in this Section, "cause" shall mean any one or more of the following:

- (i) Any Breach of this Agreement;
- (ii) Conviction (including a plea of no contest) of a felony or any misdemeanor under the Political Reform Act (Government Code Section 81000 et seq.) or Government Code Section 1090;
- (iii) Conviction (including a plea of no contest) of any offense constituting an "abuse of office or position" within the meaning of Government Code Section 53243.4;

- (iv) Conviction (including a plea of no contest) of a misdemeanor involving a crime of moral turpitude or felony under California law, including but not limited to any conviction under Penal Code Section 424;
- (v) Continued abuse of non-prescription drugs or alcohol that materially affects the performance of SAEKI's duties;
- (vi) Repeated and protracted unexcused absences from SAEKI's office and duties;
- (vii) Résumé fraud;
- (viii) A finding by judicial proceeding that legally prohibited personal acts of sexual harassment against a CITY official or employee or legally prohibited personal acts of discrimination against a CITY official or employee have occurred;
- (ix) A pattern of repeated, willful and intentional failure to carry out materially significant and legally constituted policy decisions of the City Council made by the City Council as a body, or persistent willful violation of properly established rules and procedures; and
- (x) Any other action or inaction of SAEKI that materially and substantially impedes or disrupts the performance of CITY or its organizational units or is detrimental to employee safety or public safety.

The City Council, in its sole and absolute discretion, may place SAEKI on administrative leave with pay until resolution of allegations or charges, including but not limited to criminal charges, brought against SAEKI, or until a final judicial or administrative decision finding legally prohibited personal acts of sexual harassment against a CITY official or employee or legally prohibited personal acts of discrimination against a CITY official or employee. Prior to terminating this Agreement pursuant to this Section, the City Council shall give SAEKI at least ten (10) calendar days prior written notice of the charges. Within the ten-day period, but not earlier than five (5) calendar days after the notice has been given, the City Council shall meet with SAEKI in closed session and give SAEKI an opportunity to address the City Council regarding the charges. SAEKI may have a representative at the closed session with the City Council. After hearing SAEKI's response to the charges, the City Council shall make a decision as to whether to terminate this Agreement and shall inform SAEKI in writing of its decision. Other than as provided in this subsection, SAEKI expressly waives any other form of hearing or appeal of the City Council's decision. Nothing in this subsection creates a property right in employment. Notwithstanding anything contained in this subsection, SAEKI remains an at-will employee serving at the pleasure of the City Council. The initiation of termination proceedings for cause shall not operate to prohibit or otherwise restrict the City Council from exercising its right to terminate SAEKI without cause as provided under Section 3.3 of this Agreement.

B. In the event the CITY terminates SAEKI for cause, then the CITY may terminate this Agreement immediately, and SAEKI shall be entitled to only the compensation accrued up to the date of termination, payments required under Sections 2 and subsection 3.3 and such other termination benefits and payments as may be required by law. In the event of termination for cause, the City Manager shall not be entitled to any severance provided for under subsection 3.3, above. The foregoing notwithstanding, CITY may deduct from such payments any reimbursement sums it is owed pursuant to Government Code Sections 53243 through 53243.4.

3.5 Return of City Equipment

SAEKI agrees that all property, including without limitation, all equipment, tangible, Proprietary Information (as defined below), documents, records, notes, contracts, and computer-generated materials furnished to or prepared by him incident to his employment are the property of CITY and shall be returned promptly to CITY upon termination of SAEKI's employment. SAEKI's obligations under this subsection shall survive the termination of his employment and the expiration or early termination of this Agreement.

SECTION 4. GENERAL PROVISIONS

4.1 Proprietary Information

"Proprietary Information" means all information and any idea pertaining in any manner to the business of the City Council, the CITY or the CITY's various departments, divisions, committees and commissions, which was produced by SAEKI in the course of his employment or otherwise produced to or acquired by SAEKI in the course of his employment with the CITY. Proprietary Information shall include, without limitation, trade secrets, product ideas, inventions, processes, formulae, data, know-how, software and other computer programs, copyrightable material, marketing plans, strategies, sales, financial reports, forecasts and customer lists. All Proprietary Information not generally known outside of CITY's organization, and all Proprietary Information so known only through improper means, shall be deemed "Confidential Information". During his employment by CITY, SAEKI shall use Proprietary Information, and shall disclose Confidential Information, only for the benefit of CITY and as is or may be necessary to perform his job responsibilities under this Agreement. Following termination, SAEKI shall not use any Proprietary Information and shall not disclose any Confidential Information, except with the express written consent of CITY. SAEKI's obligations under this Section shall survive the termination of his employment and the expiration of this Agreement.

4.2 Notices

All notices, requests, demands and other communications under this Agreement shall be in writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to CITY at the address below, and or at the last known address maintained in SAEKI's personnel file. SAEKI agrees to notify CITY in writing of any change in his address during his employment with CITY. Notice of change of address shall be effective only when accomplished in accordance with this Section.

CITY's Notice Address:

City of San Fernando
117 Macneil Street
San Fernando, California 91340
Attn: Mayor and City Council

City Manager's Address: [Deliver to last updated address in personnel file]

4.3 Indemnification

A. CITY shall defend, hold harmless and indemnify SAEKI against any claim, demand, judgment or action of any type or kind arising within the course and scope of SAEKI's employment to the extent required by Government Code Sections 825 and 995.

B. Subsection (A) of this Section notwithstanding, CITY reserves all rights (including all rights to monetary reimbursement) afforded under Government Code Sections 53243, 53243.1, 53243.2, 53243.3 and 53243.4 and nothing in this Agreement shall be operate or otherwise be construed to place any restriction upon CITY in exercising and/or enforcing such rights under the foregoing Government Code Sections. In the event SAEKI is convicted of an offense constituting an abuse of office or position, SAEKI shall reimburse CITY for any sums expended investigating and/or defending such wrongdoing as provided under Government Code Section 53243, 53243.1 and 53243.3. For purposes of this Agreement, the phrase "abuse of office or position" shall have the same meaning as set forth under Government Code Section 53243.4

4.4 Entire Agreement

This Agreement is intended to be the final, complete, and exclusive statement of the terms of SAEKI's employment by CITY. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the employment of SAEKI, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of CITY, now or in the future, apply to SAEKI and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.

4.5 Amendments

This Agreement may not be altered, modified, or amended except in a written document signed by SAEKI, approved by the City Council and signed by Mayor.

4.6 Waiver

Failure to exercise any right under this Agreement shall not constitute a waiver of such right.

4.7 Assignment

SAEKI shall not assign any rights or obligations under this Agreement. CITY may, upon prior written notice to SAEKI, assign its rights and obligations hereunder.

4.8 Severability

If any court of competent jurisdiction holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

4.9 Attorney's Fees

In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

4.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California, with venue property only in Los Angeles County, State of California.

4.11 Interpretation

This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit nor against the party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement. Each party waives their future right to claim, contest, or assert that this Agreement was modified, cancelled superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

4.12 Acknowledgment

SAEKI acknowledges that he has had the opportunity to consult legal counsel in regard to this Agreement, that he has read and understands this Agreement, that he is fully aware of its legal effect, and that he has entered into it freely and voluntarily and based on his own judgment and not on any representations or promises other than those contained in this Agreement.

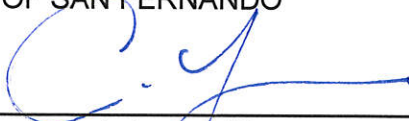
4.13 Counterparts

The Parties agree that this Agreement may be executed in multiple originals including multiple counterparts, and that each of the counterparts to any original taken together shall constitute one valid and binding agreement between the Parties.

[SIGNATURES ON FOLLOWING PAGE]


IN WITNESS WHEREOF, CITY has caused this Agreement to be signed and executed on its behalf by its Mayor and duly attested to by its City Clerk, and SAEKI has signed and executed this Agreement, as of the date first indicated above.

CITY OF SAN FERNANDO

By: 
Antonio Lopez, Mayor

Date: 3.5.14

BRIAN SAEKI

By: 
Brian Saeki

Date: 3-12-2014

APPROVED AS TO FORM:

By: 

Name: Ricardo Olivarez

Title: City Attorney

ATTEST:

By: 
Elena Chavez, City Clerk

Date: 3/5/14

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Richard Padilla, Deputy City Attorney

Date: November 16, 2015

Subject: Consideration and Approval of City Clerk Job Specification and Employment Agreement

RECOMMENDATION:

It is recommended that the City Council:

- a. Adopt Resolution No.7712 (Attachment "A") approving a revised job specification for the position of City Clerk; and
- b. Approve a City Clerk Employment Agreement (Attachment "B" - Contract No. 1804).

BACKGROUND:

As a follow-up to the City's reorganization from an administrator form of government to a city manager form of government, it was determined that the non-elected position of City Clerk should be reorganized such that the City Clerk, like the City Manager and the City Attorney, answers directly to the City Council as body. Accordingly, the attached draft City Clerk Employment Agreement is intended to establish the employment terms for current City Clerk Elena G. Chávez.

ANALYSIS:

The salient amendments to the draft agreement include the following:

1. Base term of five years;
2. Base annual salary of \$101,053;
3. Twelve months maximum severance if Chávez is terminated for convenience;
4. Chávez would receive certain benefits provided to the City's Department Heads pursuant to City Council Resolution No. 7692 (Attachment "C") including annual leave, management leave, bereavement leave, wellness reimbursement, etc.;
5. As a classic CalPERS employee Chávez retains her 3% at 60 status as specified under

Consideration and Approval of City Clerk Job Specification and Employment AgreementPage 2 of 2

Resolution No. 7692;

6. Chávez will not accrue additional annual leave during any period in which bank of annual leave exceeds 300 hours; and
7. Chávez will cash out pre-existing sick leave and convert pre-existing vacation leave into annual leave.

CONCLUSION:

It is recommended that the City Council adopt Resolution No.7712 and approve the Employment Agreement (Contract No. 1804) subject to the terms set forth above or such other terms as the City Council may deem necessary or desirable.

ATTACHMENTS:

- A. Resolution No. 7712 (Revised Job Specification for City Clerk Position)
- B. Draft Agreement (Contract No. 1804)
- C. Resolution 7692 (Benefits for Employees in Classifications Designated as Department Heads)

ATTACHMENT "A"**RESOLUTION NO. 7712****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO AMENDING RESOLUTION NO. 4144, ADOPTED DECEMBER 12, 1966 BY THE ADDITION OF SUPPLEMENT NO. 172 THERETO****THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1: That Resolution No. 4144, adopted on December 12, 1966 and the Position Classification Plan prepared by Griffenhagen-Kroeger, Inc. bearing date of April 1966, as amended by the City Council, be the same as amended by adding thereto Supplement No. 172 (Exhibit "A") covering important and essential duties, job-related and essential qualifications for the following position and classification:

CITY CLERK

Supplement No. 172 is hereby adopted and approved as the new official job classification and definition, describing job-related and essential qualifications for the position and classification set forth above. Copies of Supplement No. 172 are now on file in the office of the City Clerk. Said Supplement No. 172 is hereby incorporated in and made a part of the Position Classification and Salary Plan for the City of San Fernando.

SECTION 2: The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND APPROVED this 16th day of November, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 16th day of November, 2015, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

EXHIBIT “A”

Supplement No. 172
Adopted by Res. No. 7712
Effective: 11/16/2015

CITY CLERK**DEFINITION**

Under the direction of the City Council, independently plans and organizes the daily activities of the City Clerk’s Department. Has a critical role in service delivery administering Federal, State, and local laws pertaining to the Brown Act, the Public Records Act, campaign finance, and Fair Political Practices Act filings. The City Clerk is responsible for election management and City records management. Traditional legislative support functions include the preparation of agendas and minutes, processes, prepares, records and maintains all City Council legislative actions, safeguards the City Seal, and performs a variety of other administrative duties in support of the City Council.

DISTINGUISHING CHARACTERISTICS

The City Clerk position is “at-will” and a member of the City’s executive management team who is responsible for day-to-day operations of the City Clerk’s Department.

Incumbents will be required to exercise considerable independent judgment, establish priorities, be detail-oriented, well-organized, a problem solver, well-rounded and have considerable knowledge of the principles and practice of the City Clerk function. S/he must understand and be experienced in the procedures and the preparation of agendas, parliamentary procedure, the Brown Act, have significant knowledge in the laws and regulations governing the election process, municipal budgeting and accounting, practices and techniques of effective supervision in a team environment, time management, ability to investigate and analyze administrative and technical problems, reach practical and logical conclusions and make effective recommendations. S/he must have strong communication and interpersonal skills to effectively interact with City Elected Officials, commissions, community representatives, business organizations, staff and the public.

IMPORTANT AND ESSENTIAL FUNCTIONS

- 1) Serves as City Elections Official ensuring conformance to Election and Government Codes.
- 2) Organizes, and manages all aspects of the City’s General Municipal and Special Elections including but not limited to the following:
 - a. Coordinates, and interfaces closely, with outside agencies such as:
 - California Secretary of State
 - County of Los Angeles Registrar-Recorder/County Clerk

City Clerk
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- City of Los Angeles Elections Division
 - Election Vendors
- b. Processes petitions relating to initiatives, recalls, and referendums.
 - c. Oversees the preparation, distribution, and receipt of candidate packets.
 - d. Supervises the nomination verification process for all candidates and incumbents.
 - e. Informs candidates of their election responsibilities and disclosure requirements.
 - f. Prepares all resolutions requiring City Council approval and action (before, during, and after election).
 - g. Coordinates vote by mail ballot processing.
 - h. Prepares, publishes, and posts all required notices (before, during, and after election).
 - i. Responds to election questions.
 - j. Procures all election supplies and equipment.
 - k. Recruits precinct workers and (after elections) processes payroll.
 - l. Provides for training of poll workers.
 - m. Designates and secures polling places.
 - n. Manages the election material processing operation (order, assemble and distribute materials and supplies for polling locations).
 - o. Supervises all poll workers and City employees working Election Day and Night.
 - p. Canvasses and certifies the election results, conducts City Council reorganization, and coordinates the Oath of Office Ceremony.

Other local elections (i.e., State Primary, Presidential):

- Assists with securing polling places, poll worker training, and central ballot counting locations within City boundaries and assist with other election matters deemed necessary.
- 3) Attends City Council and other meetings, as assigned.
 - 4) Attends and participates in Department Head meetings.
 - 5) Supervises the preparation and distribution of the City Council and Successor Agency agendas (ensures that the agenda packets are compiled, assembled, and distributed to the appropriate officials, interested parties, and can be immediately accessed by the public).
 - 6) Prepares Agenda Forecasts for distribution to Elected Officials and staff.
 - 7) Takes and transcribes the minutes.
 - 8) Administers the City's Conflict of Interest Code regarding Economic Interest Statements of the City Council, City Treasurer, City Attorney, Planning Commission, and all designated employees as required by the State Political Reform Act; and maintains documents and logs as required by law for public inspection.
 - 9) Serves as City's Filing Officer for the Fair Political Practices Commission for campaign statements.
 - 10) Assists staff in complying with requirements imposed by AB1234 Mandatory Ethics Training and maintains updated list.
 - 11) Serves as custodian of the official records and archives of the City including ordinances, resolutions, contracts, minutes, agendas, agreements, encroachments, liens, deeds, easements.
 - 12) Maintains custody of City Seal.

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- 13) Supervises the preparation and distribution of the City's Municipal Code (i.e., attest, publish, index, and codify adopted ordinances).
- 14) Prepares and processes contracts for Mayor, City Manager, and City Attorney's signature and distributes as necessary.
- 15) Conducts research and provides necessary documentation in response to inquiries from the public in compliance with the California Public Records Act.
- 16) Receives bids and officiates at bid openings.
- 17) Serves as secretary to the Education Commission.
- 18) Maintains updated roster of all commissions, boards, and committees.
- 19) Complies with annual requirements of the Maddy Act – Local Appointments List.
- 20) Files Affidavits of Completion with the County Recorder's Office.
- 21) Administers oaths of office to various individuals including City officials.
- 22) Develops policies and procedures for departmental operations; assists in developing short- and long-range planning for departmental activities.
- 23) Responsible for the City Records Retention Program.

OTHER JOB-RELATED DUTIES

Duties may include, but are not limited to, the following:

- 1) Participates in the development of the City Clerk's Department and Election budget by preparing documentation, estimating cost increases, submitting budget data for review and tracking expenditures.
- 2) Supervises City Clerk Department staff and delegates tasks accordingly.
- 3) Responds to a variety of inquiries and requests for information from employees and City Officials regarding past City Council actions and documents.
- 4) Publishes legal notices required by the offices of the City Council and City Clerk and may assist City departments regarding publishing notices.
- 5) Communicates effectively in both oral and written form.
- 6) Operates office and document imaging equipment including computer hardware and software.
- 7) Operates computer systems and other common office equipment.
- 8) Utilizes standard word processing, spreadsheet and database applications.
- 9) Prepares and composes reports, memoranda, and other documents.
- 10) May schedule and coordinate tours of City Hall for local schools.
- 11) Performs related duties and responsibilities as assigned.

JOB RELATED AND ESSENTIAL QUALIFICATIONS

Knowledge of:

Modern municipal administrative methods and procedures, organizations and functions; applicable local, State and Federal laws, rules and regulations regarding local government and election operations; purposes, policies and procedures of City Council and municipal commissions, record keeping and management; budget development and administration;

City Clerk
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management and supervision practices; and business English usage, spelling, grammar, and punctuation.

Ability to:

Perform legislative duties under stressful circumstances where it is required to observe and enforce deadlines, prepare and analyze complex reports of a general or technical nature, supervise and direct multiple and diverse functions at the same time with attention to accuracy and detail. Effectively interpret and apply policies, laws, rules, regulations and procedures and make appropriate decisions; interact with Elected Officials and members of the community; establish and maintain cooperative relationships with those contacted in the course of work; review organizational and administrative problems and recommend and implement solutions; prepare agendas, minutes, reports and correspondence; prioritize and work independently; exercise independent judgment in the day-to-day operations of the office; understand and speak Spanish (highly desirable).

Experience and Training Guidelines:

A typical way to obtain the knowledge, skills, and abilities would be the following:

Experience:

Three (3) years of progressively responsible work experience in a City Clerk's office including local government elections and supervisory experience is required.

Education:

A bachelor's degree from an accredited college or university in public administration, business administration or related field and/or certification by the International Institute of Municipal Clerks (CMC or MMC) is required.

Special Requirements

Must possess a valid California Class C Driver's License. Must stay current in field, and acquire all necessary training that new technological changes may present.

Physical Requirements

Essential duties require the following physical abilities and environmental conditions: Ability to sit, stand for long periods, walk, kneel, reach, twist, lean, climb and lift supplies/forms, operate a computer keyboard, calculator, and telephone for long periods, and tolerate exposure to vibration, pitch and glare from a computer.

*DRAFT – VERSION 5.0 (November 11, 2015)***ATTACHMENT “B”****2015****CITY CLERK EMPLOYMENT AGREEMENT**

(Employee: Elena Chavez)

THIS 2015 CITY CLERK EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into on this ____ day of _____ 2015 (“Effective Date”) by and between the CITY OF SAN FERNANDO, a municipal corporation and general law city (“CITY”) and ELENA CHAVEZ, an individual (“CHAVEZ”). For purposes of this Agreement, the capitalized term “Parties” shall be a collective reference to both CITY and CHAVEZ. The capitalized term “Party” may refer to either CITY or CHAVEZ interchangeably and reasonably appropriate.

RECITALS

THIS AGREEMENT is made and entered into in consideration of the following:

WHEREAS, the City Clerk is an appointive officer of the City of San Fernando, established pursuant to California law and appointed by the City Council; and

WHEREAS, the public office of City Clerk is established pursuant to Division 3 (City Clerk) of Article III (Officers and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code; and

WHEREAS, CHAVEZ represents that she has the requisite specialized skills, training, certifications and experience required to serve as the City Clerk for the City of San Fernando; and

WHEREAS, CHAVEZ desires to accept employment as City Clerk subject to the consideration, terms and conditions set forth under this Agreement; and

WHEREAS, the City Council approved this Agreement and the execution of the same in open session at its meeting of November 16, 2015.

NOW, THEREFORE, for and in consideration of the mutual agreements contained herein, CITY and CHAVEZ agree as follows:

SECTION 1. POSITION, TERM, DUTIES**1.1 Employment as City Clerk**

This Agreement establishes the terms and conditions of employment of CHAVEZ as City Clerk for the City of San Fernando.

1.2 Duration of Employment

A. CHAVEZ’s employment with CITY shall be at-will and CHAVEZ shall at all times serve at the pleasure of and at the convenience of the City Council of CITY. This Agreement

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may be terminated by either Party at any time for convenience subject to the notification and termination provisions prescribed in this Agreement.

B. The foregoing notwithstanding, nothing in this Section shall operate to prohibit, modify or otherwise restrict the City Council's ability to terminate CHAVEZ's employment at any time for cause. Nothing in this section shall prevent, limit, or otherwise interfere with the right of CHAVEZ to voluntarily terminate or resign at any time from her position with the CITY, subject to the notification and termination provisions hereunder.

C. This Agreement shall have a term of five (5) years commencing from the Effective Date ("Term").

1.3 Duties and Responsibilities

A. CHAVEZ shall perform the duties and functions of the City Clerk as specified under the laws of the State of California, the San Fernando Municipal Code, the ordinances and resolutions and policies of the CITY and this Agreement. CHAVEZ shall also perform such other duties and functions as the City Council may assign from time to time.

B. CHAVEZ shall serve as the City Clerk and shall be vested with the powers, duties and responsibilities of the City Clerk as set forth in Division 3 (City Clerk) of Article III (Officers and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code ("Division 3"), as the same may be repealed, amended, modified or clarified from time to time by the City Council by ordinance or resolution. CHAVEZ shall also perform those tasks and functions set forth under Exhibit A to that certain Resolution No. 7712 approved by the City Council on _____ 2015 which approves Supplement No. 172 to that certain Position Classification Plan approved on December 12, 1966 by way of City Council Resolution No. 4144. CHAVEZ's performance of her duties shall be subject to the direction and oversight of the City Council. Subject to the terms and conditions of all applicable collective bargaining agreements with the City and all City employment policies and procedures, the City Council by resolution reserves the right to authorize the assignment of permanent and/or temporary staff to Department of the City Clerk and CHAVEZ will be responsible for the day-to-day supervision of such staff.

1.4 Hours of Work

A. The position of City Clerk shall be deemed an exempt position under state and federal wage and hour laws. CHAVEZ's compensation (whether salary or benefits or other allowances) is not based on hours worked and CHAVEZ shall not be entitled to any compensation for overtime.

B. CHAVEZ shall be allowed reasonable flexibility in setting her own office hours, provided: (i) CHAVEZ maintains a reasonably substantial onsite presence at City Hall during normal CITY business hours which, as of the Effective Date of this Agreement are Monday through Thursday 7:30 am to 5:30 pm and alternating Fridays from 8:00 am to 5:00 pm; and (ii) CHAVEZ is reasonably available to members of the City Council, members of CITY commissions, CITY staff and members of the public transacting business with the Department of the City Clerk on a regular and routine basis that generally conforms to the CITY's normal business hours as the same may be amended from time to time by the City Council.

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C. Consistent with subsection B, above, CHAVEZ's work hours may generally conform to the 9/80 work schedule afforded department heads and directors, however, CHAVEZ understands that the duties, demands and responsibilities of the office of City Clerk may from time to time require that she work days and hours that do not strictly conform to the 9/80 schedule generally afforded to other executive level staff and shall be available to discharge the duties and responsibilities of City Clerk at all times as reasonably necessary.

1.5 Regional and Professional Activities

The City Council desires that CHAVEZ be reasonably active in professional organizations that will promote the standing of the CITY and advance the CITY's goals, interests and policy objectives while also providing CHAVEZ with opportunities for the type of professional development that will enhance her ability to serve the CITY and perform her duties as City Clerk. Toward this end, CHAVEZ may, upon reasonable notice and approval by the City Council, join professional organizations and participate in the activities of such organizations insofar as such participation promotes the interests of the CITY and does not unduly interfere with the performance of CHAVEZ's duties as City Clerk. Subject to funding availability as determined by the City Council in its sole and absolute discretion, CITY may pay for the dues and subscriptions of the City Clerk necessary for her participation in national, statewide, regional or professional organizations.

1.6 [Reserved – No Text]

1.7 Conflicts of Interest

CHAVEZ shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of the CITY, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without prior approval of the City Council. CHAVEZ shall further refrain from developing a financial stake in any commercial venture or partnership with any entity doing business with the CITY where such financial stake would create a violation of Government Code Section 1090. For and during the term of this Agreement and any extension term, CHAVEZ further agrees that except for a personal residence or residential property acquired or held for future use as her personal residence, CHAVEZ will not invest in any other real estate or property improvements within the corporate limits of the CITY without the prior consent of the City Council and subject to the restrictions of all applicable financial conflict of interest laws.

1.8 ICMA Code of Ethics

A. CHAVEZ shall comply with the latest published edition of the written Code of Ethics of the International City/County Management Association ("ICMA"), provided such compliance is not inconsistent with or contrary to the laws of the State of California or the San Fernando Municipal Code.

B. CITY and the City Council agree that neither the City Council nor any of its members will give CHAVEZ any order, direction, or request that would require CHAVEZ to violate the ICMA Code of Ethics, unless such direction or request is authorized by the laws of the State of California or the San Fernando Municipal Code.

1.9 Performance Evaluation

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A. Annual performance evaluations are an important way for the City Council and CHAVEZ to ensure effective communications about expectations and performance. The City Council reserves the right, but assumes no obligation, to conduct a job performance evaluation and review of CHAVEZ once each calendar year with the first such evaluation and review occurring no earlier than the first anniversary of the Effective Date.

B. In conducting the review the Parties may, but shall not be required to, use the services of a professional consultant selected by the City Council. The job performance evaluation and review shall serve the following purposes and objectives: (i) to evaluate CHAVEZ's overall job performance over the course of the fiscal year; (ii) to identify areas of notable progress and/or accomplishment and identify ways to sustain and/or improve upon such progress and/or accomplishments; (iii) to identify areas requiring improvement and how such improvement might be accomplished; (iv) to measure CHAVEZ's success in meeting, achieving and/or exceeding City Council-defined goals, objectives, priorities, activities and programs over the fiscal year or since the last performance evaluation and review; (v) to establish goals, objectives, and priorities for the upcoming year; (vi) to determine what, if any, adjustments or enhancement should be considered and approved to CHAVEZ's compensation terms.

C. The failure of CITY to undertake a performance evaluation shall not limit CITY's ability to terminate this Agreement pursuant to Section 3, below. Nothing in this Section 1 shall be construed to restrict or otherwise limit the ability of the CITY to undertake any other review or investigation of CHAVEZ during the course of a fiscal year which the City Council may deem necessary to address any allegation of unlawful or inappropriate conduct or other wrongdoing.

SECTION 2. BASE COMPENSATION; BENEFITS AND REIMBURSEMENTS

2.1 Salary and Other Monetary Compensation

A. Base Salary. CITY shall pay CHAVEZ an annual base salary of One Hundred and One Thousand, Fifty-Three Dollars (\$101,053) per year (hereinafter, the "Base Salary"), subject to deductions for taxes, deferred compensation and other out-of-pocket benefits paid for by CHAVEZ as a CITY executive management employee. CITY shall pay CHAVEZ in bi-weekly installments at the same time other employees of CITY are paid. Commencing July 1, 2016 and each July 1st thereafter up to July 1, 2018, the Base Salary shall increase by an amount equal to two percent (2%) of the most recent Base Salary amount.

B. Bilingual Bonus and Longevity Pay. CHAVEZ shall receive a bilingual bonus and longevity pay subject to the same terms and conditions the same are provided to City department heads under City Council Resolution 7692.

2.2 Retirement/Deferred Compensation

A. CHAVEZ shall receive any and all employee retirement and deferred compensation benefits otherwise accorded CITY's depart head employees, consistent with CITY policies, including the CITY policy through the Public Employees Retirement System ("PERS") and applicable law. The PERS formula to be applied to CHAVEZ will be the 3% at 60, single highest year compensation retirement calculation which applies to First Tier "Classic" members as referenced under Section 5 (Retirement) of Resolution 7692. CHAVEZ shall also

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be eligible for deferred compensation through voluntary contribution to the 457 Deferred Compensation plan available through the ICMA.

B. In the same manner set forth under Section 5 (Retirement), the following shall apply to CHAVEZ:

1. Effective on the first day of the payroll period containing July 1, 2016, the City shall pay 7.0% for First Tier CalPERS members;
2. Effective on the first day of the payroll period containing July 1, 2017, and thereafter, the City shall pay 7.5% for First Tier CalPERS members;
3. The City's payments, above, shall be treated as a "pick up" of employee contributions pursuant to IRC 414(h)(2).
4. The City shall continue to report the value of the Employer Paid Member Contribution to CalPERS as compensation earnable on behalf of CHAVEZ, pursuant to California Government Code Section 20636(c)(4).
5. In accordance with PEPR, "New" CalPERS, CHAVEZ shall pay, by pre-tax payroll deduction, the full employee contribution of 50% of the total normal cost.

2.3 Annual Leave (Vacation and Sick)

A. Accrual of Annual Leave.

1. For purposes of this Agreement the term "Annual Leave" shall have the same meaning as set forth under San Fernando City Council Resolution No. 7692 approved August 3, 2015 ("Resolution No. 7692") or as the meaning of the term "Annual Leave" may be modified or amended by subsequent resolutions of the City Council that repeal, amend or otherwise modify the term "Annual Leave" as defined under Resolution No. 7692. Except as otherwise provided under this Agreement, commencing upon the Effective Date and throughout the term of this Agreement, CHAVEZ shall accrue Annual Leave in the same amount and in the same manner accrued the City's Department Head Classification employees as set forth under Resolution No. 7692 or as the package of compensation and other benefits set forth under Resolution No. 7692 may be subsequently repealed, amended or otherwise modified by subsequent City Council resolution. The Parties acknowledge and agree that commencing upon the Effective Date, the above-described Annual Leave shall be given to CHAVEZ in lieu, and not in addition to, of vacation leave and sick leave previously allocated to CHAVEZ prior to the Effective Date. Upon the Effective Date CHAVEZ shall cease to accrue vacation leave and sick leave.

2. Subsection 2.3.A.1 of this Agreement notwithstanding, CHAVEZ will not accrue any additional Annual Leave time during any period of time in which CHAVEZ's total bank of accrued but unused Annual Leave equals or exceeds a total of three hundred (300) hours. At such time as CHAVEZ's total bank of accrued but unused Annual Leave falls below 300 hours total, CHAVEZ will resume the accrual of Annual Leave until such newly accrued hours cause CHAVEZ's total bank of accrued but unused Annual Leave to again equal 300 hours.

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B. Pre-existing Leave Hours.

1. As of the Effective Date of this Agreement, the Parties acknowledge and agree that CHAVEZ's pre-existing bank of accrued but unused vacation leave hours total [REDACTED] hours (hereinafter, the "Pre-Existing Vacation Leave Hours"). Upon the Effective Date, CHAVEZ's Pre-Existing Vacation Leave Hours shall be converted to Annual Leave Hours. The conversion of CHAVEZ's Pre-Existing Vacation Leave Hours to Annual Leave shall count toward the 300 hour cap referenced under subsection 2.3.A.2, above.

2. As of the Effective Date of this Agreement, the Parties acknowledge and agree that CHAVEZ's pre-existing bank of accrued but unused sick leave hours total [REDACTED] hours (hereinafter, "Pre-Existing Sick Leave Hours"). Within thirty (30) calendar days from the Effective Date, CHAVEZ shall sell back and CITY shall purchase, CHAVEZ's Pre-Existing Sick Leave Hours.

3. As of the Effective Date of this Agreement, the Parties acknowledge and agree that CHAVEZ's pre-existing bank of accrued by unused comp time hours total [REDACTED] hours (hereinafter, the "Pre-Existing Comp Time Amount"). Within thirty (30) calendar days from the Effective Date, CHAVEZ shall sell back and CITY shall purchase, CHAVEZ's Pre-Existing Comp Time Hours.

4. The Parties acknowledge and agree that upon the Effective Date, CHAVEZ shall cease to accrue additional vacation leave or additional sick leave but shall instead receive Annual Leave as described under subsection A of this Section above. The Parties further acknowledge and agree that upon the Effective Date, CHAVEZ shall cease to accrue any other variety of leave not otherwise expressly provided for under this Agreement.

5. CHAVEZ shall provide both the Mayor and the Vice Mayor with no less than fourteen (14) calendar days prior written notice in the event CHAVEZ intends to take any pre-scheduled time off (e.g., vacation and/or conferences etc.) anticipated to last more than two (2) consecutive City work days. A courtesy notice shall also be provided to the City Manager. CHAVEZ shall also use all reasonable efforts to coordinate the scheduling of vacation time off or other pre-scheduled time off with other City Clerk Department staff so as to ensure that routine City Clerk Department operations and duties, including the timely preparation and publication of City Council agendas is not unreasonably disrupted. CHAVEZ shall refrain from taking vacation time off during the thirty-day period immediately preceding and the thirty-day period immediately following any regularly scheduled general municipal election of the City of San Fernando. In so far as the City Council calls a special municipal election, CHAVEZ shall refrain from scheduling any vacation time off during the thirty-day period immediately preceding and the thirty-day period immediately following any such special municipal election but may take vacation time off in so far as such time was scheduled and formally requested by CHAVEZ prior to the calling of the special municipal election.

2.4 Additional Miscellaneous Benefits.

A. Commencing upon the Effective Date, CHAVEZ shall receive the following benefits in the manner prescribed under Resolution NO. 7692 as the same may be repealed, amended or otherwise modified in whole or in part by subsequent City Council resolution: (i) Management Leave; (ii) Bereavement Leave; and (iii) Wellness Reimbursement Benefit.

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2.5 Holidays

CHAVEZ shall receive paid holidays in accordance with CITY's current practices as such practices may be amended or modified from time to time by the CITY by action of the City Council. Paid holidays will be those approved by the CITY by action of the City Council. The CITY currently provides twelve (12) paid holidays per calendar year.

2.6 Medical, Dental and Vision Insurance

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, CHAVEZ shall receive the same employee medical, dental, and vision insurance benefits provided under Section 4 of Exhibit "A" of Resolution No. 7692 as the same may be repealed, amended or otherwise modified by subsequent City Council resolution.

2.7 Bonding

Except as otherwise provided under the City Municipal Code or applicable state law, CITY shall bear the full cost of any fidelity or other bonds required of CHAVEZ under any law or ordinance.

2.8 Cellular Phone Allowance; Other Necessary and Customary Business Equipment and Facilities; Special Electronic Equipment

A. CITY recognizes that CHAVEZ's duties as City Clerk may require extensive use of a cell phone in the ordinary course of performing her duties as City Clerk. Accordingly, CITY shall provide CHAVEZ with a cell phone allowance in the amount of Sixty Dollars (\$60.00) per month for the use of CHAVEZ's personal cell phone to conduct CITY business. CITY shall not be responsible for any cellular phone related expenses in excess of the allowance set forth herein nor shall CHAVEZ be entitled to reimbursement for such expenses pursuant to Section 2.9.

B. The CITY shall provide CHAVEZ with other customary and necessary equipment and facilities reasonably required for CHAVEZ to perform her duties and functions as City Clerk such as an office within City Hall, a landline telephone in the City Hall office, a desktop computer, a new laptop computer, business cards, business stationary and the like. All such equipment and facilities made available to CHAVEZ shall at all times remain the property of the CITY and CHAVEZ acknowledges, understands and agrees that he shall have no right of privacy to such equipment or any data or information stored in such equipment or facilities.

C. The City Council reserves the right but does not assume the obligation to provide CHAVEZ at CITY's expense, special electronic communications equipment such as an iPad. All such equipment and facilities made available to CHAVEZ shall at all times remain the property of the CITY, and CHAVEZ acknowledges, understands and agrees that he shall have no right of privacy to such equipment or any data or information stored in such equipment or facilities.

2.9 Reimbursement for Expenses Not Covered by Allowances

Excluding those expenses already covered by the supplemental compensation allowances set forth under Sections 2.7 and 2.8 above, CITY shall reimburse CHAVEZ for

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reasonable and necessary travel, subsistence and other business expenses incurred by CHAVEZ in the performance of her duties or in connection with CHAVEZ's participation in those authorized activities referenced under Section 1.3, above. All reimbursements shall be subject to and in accordance with any limitations or restrictions set forth under the laws of the State of California and any CITY-adopted reimbursement policies as either may be adopted, updated or otherwise amended from time to time by the San Fernando City Council.

2.10 Long Term Disability

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, CHAVEZ shall receive any and all employee long term disability program benefits otherwise accorded CITY's executive management employees, as prescribed as of the Effective Date of this Agreement and as those benefits may be changed from time to time.

2.11 Term Life Insurance

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, CHAVEZ shall receive any and all term life insurance program benefits otherwise accorded CITY's executive management employees, as prescribed as of the Effective Date of this Agreement and as those benefits may be changed from time to time.

2.12 Jury Duty

CHAVEZ will receive full pay and benefits while responding to a jury summons or serving on a jury, up to a maximum of fourteen (14) business days. Any compensation for such jury duty (except travel pay) shall be remitted to CITY.

2.13 Professional Development Conference

CHAVEZ shall be permitted to attend the annual professional development conference for city clerks organized by the California League of Cities and may receive reimbursement for travel, transportation and lodging at such conference in accordance with the City's travel and reimbursement policy as the same may be updated, amended and/or modified from time to time by the City Council.

2.14 Other Benefits

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, CHAVEZ shall receive any and all other benefits granted to all of the CITY's executive management employees under State law, the San Fernando Municipal Code and other lawful CITY policies, rules and regulations, as those benefits may be changed from time to time.

SECTION 3. EMPLOYMENT "AT-WILL"; SEPARATION FROM EMPLOYMENT

3.1 Employment with CITY is "at-will"

A. CHAVEZ's employment status with CITY shall be "at-will" and CHAVEZ shall serve at the pleasure of the City Council as provided under Government Code Section 36506. CITY, through the City Council, may at any time terminate CHAVEZ's employment with the CITY with or without cause by majority vote of its full membership (i.e., by no less than three affirmative

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votes). CHAVEZ acknowledges, understands and agrees that CHAVEZ may not avail himself of any procedures, provisions or protections set forth under the CITY's Employment Policies, as defined herein, insofar as such procedures, provisions or protections limit, restrict, modify, prohibit or regulate CHAVEZ's status as an "at-will" employee of CITY or the ability of the City Council to terminate CHAVEZ's employment at any time for cause or for convenience. For purposes of this Agreement, the capitalized term "Employment Policies" means and refers to any ordinance, resolution, regulation, rule or other written policy of the CITY as the same may be amended, modified or supplemented from time to time (including but not limited to the San Fernando Municipal Code and any written employment manual of the CITY) which governs, regulates or otherwise relates to employment with the CITY. The CITY's Employment Policies shall not apply to CHAVEZ insofar as such Employment Policies limit, restrict, modify or regulate (or may be interpreted to limit, restrict, modify or regulate) CHAVEZ's status as an "at-will" employee of CITY.

B. Except as otherwise provided under this Section 3, CHAVEZ shall not be entitled to any pre-termination hearing or other similar proceeding or appeal proceeding as a precondition to any decision or action by the City Council to terminate CHAVEZ's employment whether for cause or for convenience.

C. Nothing in this Agreement shall confer upon CHAVEZ any right to any property interest in continued employment with the CITY.

3.2 Resignation/Retirement

A. CHAVEZ may resign and/or retire from her employment with the CITY at any time for any reason, provided CHAVEZ provides the City Council with written notice of her intent to so terminate her employment at least forty-five (45) calendar days prior to the effective date of separation.

B. The City Council in its sole and absolute discretion may waive or shorten the 45-day prior written notice requirement provided the request for such waiver is made in writing by CHAVEZ and further provided that the City Council's waiver of the notice requirement is also made in writing.

C. The failure of CHAVEZ to provide the prior written notice required under this Section shall constitute a material breach of this Agreement.

3.3 Separation for Convenience and Without Cause; Severance

A. In the event CHAVEZ is terminated for convenience and without cause by the City Council while CHAVEZ is willing and able to perform the City Clerk's duties under this Agreement, then in that event the CITY agrees to pay CHAVEZ a lump sum cash payment equal to twelve (12) months worth of CHAVEZ's annual Base Salary at the time of separation [i.e., the prorated value of one months' worth of CHAVEZ's annual Base Salary at the time of separation multiplied by twelve months].

B. CITY shall extend to CHAVEZ the right to continued health insurance as may be required by and pursuant to terms and conditions of this Consolidated Omnibus Reconciliation Act of 1986 ("COBRA"). The CITY agrees to pay CHAVEZ's COBRA coverage for the same number of months for which CHAVEZ is entitled to a lump sum cash payment under Section 3.3(A), or until CHAVEZ either secures and begins full-time employment or obtains other health

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insurance, whichever of these three events first occurs. CHAVEZ shall notify the CITY within five (5) calendar days of securing new full-time employment or insurance.

C. All payments required under Section 3.3(A) or 3.3(B), above, are subject to and shall be interpreted to comply with the limitations set forth in Government Code Section 53260. Further, in the event CHAVEZ is convicted of a crime involving an abuse of office or position, CHAVEZ shall reimburse the CITY for any paid leave or cash settlement (including severance), as provided by Government Code Sections 53243 through 53243.4.

D. The foregoing notwithstanding, CITY shall not exercise its right to terminate CHAVEZ for convenience and without cause during the 120-day period immediately preceding or the 120-day period immediately following any General Municipal Election of the CITY in which two or more City Council seats are subject to an election contest or during the 120-day period immediately preceding or the 120-day period immediately following any Special Municipal Election of the CITY in which two or more City Council seats are subject to an election contest.

3.4 Separation for Cause

A. Notwithstanding the provisions of Section 3.3, above, CHAVEZ may be terminated for cause. As used in this Section, “cause” shall mean any one or more of the following:

- (i) Any Breach of this Agreement;
- (ii) Conviction (including a plea of no contest) of a felony or any misdemeanor under the Political Reform Act (Government Code Section 81000 et seq.) or Government Code Section 1090;
- (iii) Conviction (including a plea of no contest) of any offense constituting an “abuse of office or position” within the meaning of Government Code Section 53243.4;
- (iv) Conviction (including a plea of no contest) of a misdemeanor involving a crime of moral turpitude or felony under California law, including but not limited to any conviction under Penal Code Section 424;
- (v) Intoxication on duty, whether by alcohol, non-prescription drugs or any controlled substance.
- (vi) Repeated and protracted unexcused absences from CHAVEZ’s office and duties;
- (vii) Fraud or dishonesty in securing her employment, including resume fraud;
- (viii) A finding by judicial proceeding that legally prohibited personal acts of sexual harassment against a CITY official or employee or legally prohibited acts of discrimination against a CITY official or employee have occurred;
- (ix) A pattern of repeated, willful and intentional failure to carry out materially significant and legally constituted policy decisions of the City Council made by the City Council as a body, or persistent willful violation of properly established rules and procedures; and

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- (x) Any other action or inaction of CHAVEZ that materially and substantially impedes or disrupts the performance of CITY or its organizational units or is detrimental to employee safety or public safety.

The City Council, in its sole and absolute discretion, may place CHAVEZ on administrative leave with pay until resolution of allegations or charges, including but not limited to criminal charges, brought against CHAVEZ, or until a final judicial or administrative decision finding legally prohibited personal acts of sexual harassment against a CITY official or employee or legally prohibited personal acts of discrimination against a CITY official or employee. Prior to terminating this Agreement pursuant to this Section, the City Council shall give CHAVEZ at least ten (10) calendar days prior written notice of the charges. Within the ten-day period, but not earlier than five (5) calendar days after the notice has been given, the City Council shall meet with CHAVEZ in closed session and give CHAVEZ an opportunity to address the City Council regarding the charges. CHAVEZ may have a representative at the closed session with the City Council. After hearing CHAVEZ's response to the charges, the City Council shall make a decision as to whether to terminate this Agreement and shall inform CHAVEZ in writing of its decision. Other than as provided in this subsection, CHAVEZ expressly waives any other form of hearing or appeal of the City Council's decision. Nothing in this subsection creates a property right in employment. Notwithstanding anything contained in this subsection, CHAVEZ remains an at will employee serving at the pleasure of the City Council. The initiation of termination proceedings for cause shall not operate to prohibit or otherwise restrict the City Council from exercising its right to terminate CHAVEZ without cause as provided under Section 3.3 of this Agreement.

B. In the event the CITY terminates CHAVEZ for cause, then the CITY may terminate this Agreement immediately, and CHAVEZ shall be entitled to only the compensation accrued up to the date of termination, payments required under Sections 2 and subsection 3.3 and such other termination benefits and payments as may be required by law. In the event of termination for cause, the City Clerk shall not be entitled to any severance provided for under subsection 3.3, above. The foregoing notwithstanding, CITY may deduct from such payments any reimbursement sums it is owed pursuant to Government Code Sections 53243 through 53243.4.

3.5 Return of City Equipment

CHAVEZ agrees that all property, including without limitation, all equipment, tangible, Proprietary Information (as defined below), documents, records, notes, contracts, and computer-generated materials furnished to or prepared by him incident to her employment are the property of CITY and shall be returned promptly to CITY upon termination of CHAVEZ's employment. CHAVEZ's obligations under this subsection shall survive the termination of her employment and the expiration or early termination of this Agreement.

SECTION 4. GENERAL PROVISIONS

4.1 Proprietary Information

"Proprietary Information" means all information and any idea pertaining in any manner to the business of the City Council, the CITY or the CITY's various departments, divisions, committees and commissions, which was produced by CHAVEZ in the course of her employment or otherwise produced to or acquired by CHAVEZ in the course of her employment

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with the CITY. Proprietary Information shall include, without limitation, trade secrets, product ideas, inventions, processes, formulae, data, know-how, software and other computer programs, copyrightable material, marketing plans, strategies, sales, financial reports, forecasts and customer lists. All Proprietary Information not generally known outside of CITY's organization, and all Proprietary Information so known only through improper means, shall be deemed "Confidential Information". During her employment by CITY, CHAVEZ shall use Proprietary Information, and shall disclose Confidential Information, only for the benefit of CITY and as is or may be necessary to perform her job responsibilities under this Agreement. Following termination, CHAVEZ shall not use any Proprietary Information and shall not disclose any Confidential Information, except with the express written consent of CITY. CHAVEZ's obligations under this Section shall survive the termination of her employment and the expiration of this Agreement.

4.2 Notices

All notices, requests, demands and other communications under this Agreement shall be in writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to CITY at the address below, and or at the last known address maintained in CHAVEZ's personnel file. CHAVEZ agrees to notify CITY in writing of any change in her address during her employment with CITY. Notice of change of address shall be effective only when accomplished in accordance with this Section.

CITY's Notice Address:

City of San Fernando
117 Macneil Street
San Fernando, California 91340
Attn: Mayor and City Council

City Clerk's Address: [Deliver to last updated address in personnel file]

4.3 Indemnification

A. CITY shall defend, hold harmless and indemnify CHAVEZ against any claim, demand, judgment or action of any type or kind arising within the course and scope of CHAVEZ's employment to the extent required by Government Code Sections 825 and 995.

B. Subsection (A) of this Section notwithstanding, CITY reserves all rights (including all rights to monetary reimbursement) afforded under Government Code Sections 53243, 53243.1, 53243.2, 53243.3 and 53243.4 and nothing in this Agreement shall be operate or otherwise be construed to place any restriction upon CITY in exercising and/or enforcing such rights under the foregoing Government Code Sections. In the event CHAVEZ is convicted of an offense constituting an abuse of office or position, CHAVEZ shall reimburse CITY for any sums expended investigating and/or defending such wrongdoing as provided under Government Code Section 53243, 53243.1 and 53243.3. For purposes of this Agreement, the phrase "abuse of office or position" shall have the same meaning as set forth under Government Code Section 53243.4

DRAFT – VERSION 5.0 (November 11, 2015)

4.4 Entire Agreement

This Agreement is intended to be the final, complete, and exclusive statement of the terms of CHAVEZ's employment by CITY. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the employment of CHAVEZ, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of CITY, now or in the future, apply to CHAVEZ and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.

4.5 Amendments

This Agreement may not be altered, modified, or amended except in a written document signed by CHAVEZ, approved by the City Council and signed by Mayor.

4.6 Waiver

Failure to exercise any right under this Agreement shall not constitute a waiver of such right.

4.7 Assignment

CHAVEZ shall not assign any rights or obligations under this Agreement. CITY may, upon prior written notice to CHAVEZ, assign its rights and obligations hereunder.

4.8 Severability

If any court of competent jurisdiction holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

4.9 Attorney's Fees

In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

4.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California, with venue property only in Los Angeles County, State of California.

4.11 Interpretation

This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit nor against the party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement. Each party waives their future right to claim, contest, or assert that this Agreement was modified, cancelled superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

DRAFT – VERSION 5.0 (November 11, 2015)

4.12 Acknowledgment

CHAVEZ acknowledges that he has had the opportunity to consult legal counsel in regard to this Agreement, that he has read and understands this Agreement, that he is fully aware of its legal effect, and that he has entered into it freely and voluntarily and based on her own judgment and not on any representations or promises other than those contained in this Agreement.

4.13 Counterparts

The Parties agree that this Agreement may be executed in multiple originals including multiple counterparts, and that each of the counterparts to any original taken together shall constitute one valid and binding agreement between the Parties.

[SIGNATURES ON FOLLOWING PAGE]

DRAFT – VERSION 5.0 (November 11, 2015)

IN WITNESS WHEREOF, CITY has caused this Agreement to be signed and executed on its behalf by its Mayor and duly attested to by its City Clerk, and CHAVEZ has signed and executed this Agreement, as of the date first indicated above.

CITY OF SAN FERNANDO

ELENA CHAVEZ

By: _____

By: _____

Elena Chavez

Print: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____

Name: _____

Title: _____

DRAFT

ATTACHMENT "C"

RESOLUTION NO. 7692

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO ESTABLISHING THE SALARY AND BENEFITS FOR EMPLOYEES IN CLASSIFICATIONS DESIGNATED AS DEPARTMENT HEADS

WHEREAS, under California State law, the City Council is vested with the authority to designate classifications as being Department Heads; and

WHEREAS, the City Council; has established and designated the following classifications as Department Heads: (1) Deputy City Manager/Director of Public Works; (2) Director of Community Development; (3) Director of Finance; and (4) Director of Recreation and Community Service; and

WHEREAS, the classifications designated as Department Heads of the City of San Fernando are critical to the City's efficient and effective operations, the City Council recognizes the management nature and responsibilities of the positions; and

WHEREAS, the City Council desires to provide competitive benefits to its employees; and

WHEREAS, the terms and conditions of employment for the Department Heads were previously set forth in a Memorandum of Understanding between the City of San Fernando and the Management Bargaining Unit; and

WHEREAS, the City of San Fernando intends to provide adjustments effective the first day of the first pay period beginning after July 1, 2015 to employees in Department Head classifications; and

WHEREAS, the City Council has determined that it is appropriate to provide the same economic adjustments to employees in Department Head classifications that are consistent with negotiated provisions in other recognized bargaining units in the City; and

WHEREAS, the City of San Fernando intends to provide the same or equivalent economic adjustments to employees in Department Head classifications as those negotiated by other recognized bargaining units in the City.

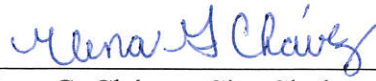
NOW THEREFORE, the City Council of the City of San Fernando, California, hereby resolves to approve the wages, benefits, and terms and conditions of employment for the employees in Department Head classifications as outlined in the attached "Exhibit A":

PASSED, APPROVED, AND ADOPTED this 3rd day of August, 2015.



Joel Fajardo, Mayor

ATTEST:



Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 3rd day of August, 2015, by the following vote to wit:

- AYES:** Fajardo, Ballin, Gonzales, Lopez, Soto – 5
- NOES:** None
- ABSENT:** None



Elena G. Chávez, City Clerk

EXHIBIT "A"

Upon the City Council's adoption of Resolution 7692, the compensation, benefits plan, and terms and conditions of employment for employees in classifications designated as Department Heads will be as set forth below.

SECTION 1. DEPARTMENT HEAD CLASSIFICATIONS:

- Deputy City Manager/Director of Public Works
- Director of Community Development
- Director of Finance
- Director of Recreation and Community Services

SECTION 2. SALARY:

The base salary for each employee subject to Resolution 7692 shall be adjusted as follows:

- No adjustment to base salary for fiscal year 2015-2016.
- Effective on the first day of the first pay period beginning after July 1, 2016, the employee's base salary shall be increased by one percent (1.0%).
- Effective on the first day of the first pay period beginning after July 1, 2017, the employee's base salary shall be increased by one and one-half percent (1.5%).
- Effective on the first day of the first pay period beginning after July 1, 2018, the employee's base salary shall be increased by two percent (2.0%).

SECTION 3. SPECIAL PAY:

Longevity

Department Heads that have completed 10 years of service from date of hire will receive an additional 3% above the base salary step.

Department Heads that have completed 20 years of service from date of hire will receive a total of 4% over and above the base salary.

Department Heads that have completed 30 years of service from date of hire will receive a total of 5% over and above the base salary.

Department Heads on leave of absence without pay, with the exception of Family & Medical Leave (FMLA), shall not have such leave time credited as service time for purposes of calculating the years of service.

Bilingual Pay

Department Heads will receive bilingual pay in the amount of \$100 per month provided he or she has satisfactorily demonstrated to the City his/her fluency in the Spanish language, based on written and/or oral testing procedures as selected by the City.

Acting Pay

Department Heads who, by written assignment, perform the duties of a position with a higher salary classification than that in which they are regularly employed shall receive the compensation specified for the position to which assigned, if performing the duties thereof for a period of fifteen (15) or more consecutive work days. The increased compensation shall be retroactive to the first day of said assignment, and at the step within the higher classification as will accord the employee an increase of at least 5% of his or her current regular compensation.

SECTION 4. EMPLOYEE AND RETIREE INSURANCE BENEFITS:

Medical, Dental and Vision Insurance for Active Employees

The City contracts with the California Public Employees' Retirement System (PERS) for medical insurance coverage. Eligible new hires are covered under the program on the first day of the month following enrollment. The City will contribute the Public Employee's Medical and Hospital Care Act (PEMHCA) statutory minimum on behalf of each participant in the program. A participant is defined as:

1. An enrolled employee and eligible dependents;
2. An enrolled retiree and eligible dependents; and
3. A surviving annuitant.

The City will provide Department Heads with a full flex cafeteria plan in accordance with IRS Code Section 125. Department Heads shall receive a monthly flex dollar allowance to purchase medical, dental and vision benefits offered through the City's insurance plans.

The monthly flex dollar allowance, inclusive of the statutory PEMHCA minimum, shall be:

	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019
Employee only:	\$750	\$765	\$780	\$795
Employee + 1:	\$1,300	\$1,325	\$1,350	\$1,375
Family:	\$1,750	\$1,785	\$1,820	\$1,855

The monthly flex dollar allowance may be used in accordance with the terms of the cafeteria plan to purchase benefits offered under the cafeteria plan and other supplementary products. After enrolling in a mandatory medical insurance plan, or opting out under the "Opt Out"

provision below, Department Heads have the option to waive the other benefits and have the excess flex dollars converted to taxable income or purchase other supplementary products.

In the event that premiums and/or costs for the selected benefits exceed the monthly flex dollar allowance, the balance will be paid by the employee through automatic pre-tax payroll deduction, as permitted under IRS Code Section 125.

If any bargaining unit negotiates a flex dollar allowance that exceeds the amounts identified above, the City will adjust the flex dollar allowance for Department Heads to match the higher flex dollar amount.

Opt Out

Department Heads may elect to discontinue participation in the PERS Health Plan medical insurance coverage ("Opt Out"). The intent of this provision is to share premium savings that the City will incur as a result of a Department Head canceling City coverage.

Department Heads electing to waive City medical insurance coverage for themselves and all eligible family members must provide proof of coverage through another (non-City) benefit plan (e.g., spouse's coverage through another employer), and must waive any liability to the City for their decision to cease coverage under the City's medical insurance plan.

Upon proof of other coverage, Department Heads may elect to waive the City's medical insurance and use the above allotted single-party (Employee only) flex dollars toward other items in the full flex cafeteria plan or convert it to taxable income.

After electing to Opt Out, a Department Head who later requests to re-enroll under the City plan can only do so during the open enrollment period or after a qualifying event as permitted by the insurance carrier and Cafeteria Plan regulations.

For medical insurance plans, when a Department Head is the spouse of another benefited City employee, the affected employees shall have the option of:

- a. Each employee may elect a flex dollar amount of a single employee;
- b. One (1) employee may select a plan and list the spouse as a dependent under the two-party or family coverage, as applicable and the remaining employee may opt-out as outlined above.

Medical Insurance for Retirees

Effective upon approval of the necessary Resolution(s) by CalPERS, the City will create a two (2) tier structure for retiree medical insurance. The City will adopt a Resolution to implement a ten (10) year retiree medical insurance vesting schedule, pursuant to the provisions of California Government Code Section 22893.

1. Retiree Medical Tier I: Department Heads hired on or before June 30, 2015 and retire on or after July 1, 2015:

If the employee meets the vesting schedule set forth in California Government Code Section 22893, 100% paid medical insurance benefits for whatever plan is selected by the employee for himself/herself and eligible dependents, except that if the employee chooses the most expensive plan, the employee will be pay the difference in premiums.

2. Retiree Medical Tier II: Department Heads hired on or after July 1, 2015:

If the employee meets the vesting schedule set forth in California Government Code Section 22893, PEMHCA minimum (currently \$122 per month for 2015).

Retiree Health Savings Account

For Department Heads that are in Retiree Medical Tier II as described above, the City will contribute \$100 per month into a Retiree Medical Trust (RMT) or Retiree Health Savings (RHS) Plan, whichever is designated by the City. An employee may elect to contribute an additional amount to the RMT or RHS, at his or her option. The City will work to implement a RMT or RHS prior to June 30, 2016.

Life Insurance

The City shall provide all Department Heads with a \$50,000 Basic Life and AD&D insurance policy at no cost to the employee.

SECTION 5. RETIREMENT:

The City shall provide retirement benefits to eligible employees through the California Public Employees' Retirement System (CalPERS) as follows: The definition of "new" member and "classic" member are set forth in the Public Employee Pension Reform Act of 2013 (PEPRA).

First Tier: "Classic" members hired prior to November 12, 2005 will receive the 3% at 60, single highest year compensation retirement calculation.

Second Tier: "Classic" members hired on or after November 12, 2005 will receive the 2% at 55, final 36-month average compensation retirement calculation.

Third Tier: "New" members hired on or after January 1, 2013 will receive the 2% at 62, final 36-month average compensation retirement calculation.

In accordance with the existing contracts with CalPERS, the City shall provide the following retirement benefits to employees:

- a. Fourth Level of 1959 Survivor Benefits (Government Code Section 21574).
- b. 5% Cost of Living Allowance (COLA) for employees hired on or before November 12, 2005; and 3% COLA for employees hired after November 12, 2005 (Government Code Section 21335).
- c. Credit for unused sick leave for employees as per CalPERS guidelines (Government Code Section 20965).

Employer Paid Member Contributions

Effective upon CalPERS' approval of the necessary Resolutions, but not before the payroll period containing July 1, 2015, the City shall pay 6.0% for First Tier CalPERS members and 5.5% for Second Tier CalPERS members toward the employee's required CalPERS contribution.

Effective on the first day of the payroll period containing July 1, 2016, the City shall pay 7.0% for First Tier CalPERS members and 6.5% for Second Tier CalPERS members toward the employee's required CalPERS contribution.

Effective on the first day of the payroll period containing July 1, 2017, and thereafter, the City shall pay 7.5% for First Tier CalPERS members and 7.0% for Second Tier CalPERS members toward the employee's required CalPERS contribution.

The City's payments, above, shall be treated as a "pick up" of employee contributions pursuant to IRC 414(h)(2).

The City shall continue to report the value of the Employer Paid Member Contribution to CalPERS as compensation earnable on behalf of each employee, pursuant to California Government Code Section 20636(c)(4).

In accordance with PEPRRA, "New" CalPERS members shall pay, by pre-tax payroll deduction, the full employee contribution of 50% of the total normal cost.

SECTION 6. LEAVE BENEFITS:

Management Leave

Management leaves provides a means of compensation for hours worked by exempt employees beyond their normal work schedule. The City shall provide Department Heads with one hundred twenty (120) hours Management Leave per year credited each January 1. Management Leave must be used in the year earned and cannot be carried over from one calendar year to the next. Unused management leave hours will be cashed out in December of each year at the employee's

current rate of pay. At the time of separation, any unused management leave hours will be paid at the employee's current rate of pay.

Annual Leave

Department Heads earn Annual Leave in lieu of vacation and sick leave. Annual Leave is intended to provide time for an employee to be away from the work environment and to enable such employee to return to work mentally and physically refreshed.

The City shall provide for Annual Leave to accrue on a payroll to payroll basis prorated in accordance with the following rates.

- 0 – 4 years of City service: 6.15 hours per pay period (160/year)
- 5 – 9 years of City service: 7.69 hours per pay period (200/year)
- 10 or more years of City service: 9.23 hours per pay period (240/year)

Department Heads who have pre-existing sick leave and/or vacation accrual balance shall convert sick leave to annual leave at the rate of one hour of sick leave to 0.5 hours of annual leave; and convert vacation to annual leave at the rate of one hour of vacation to one hour of annual leave.

Department Heads may, at the employee's discretion, accrue up to eight hundred (800) hours of Annual Leave. Upon separation from City service, the employee shall be compensated for any unused Annual Leave at his or her regular rate of pay.

Holiday Leave

Each Department Head shall be entitled to the following holidays with pay (8 hours per holiday):

- | | |
|--------------------------------------|-----------------------------|
| (1) New Year's Day | (7) Labor Day |
| (2) Martin Luther King, Jr. Birthday | (8) Veteran's Day |
| (3) President's Day | (9) Thanksgiving Day |
| (4) Cesar Chavez's Birthday | (10) Day after Thanksgiving |
| (5) Memorial Day | (11) Christmas Day |
| (6) Independence Day | (12) Floating Holiday |

Floating holiday hours are credited each January 1 and must be used before December 30. Unused floating holiday hours are not carried forward.

Bereavement Leave

Department Heads shall be permitted to use up to five (5) days of paid bereavement leave following the death of an immediate family member and one (1) paid day following the death of an extended family member.

For the purposes of this benefit, "Immediate Family" shall mean grandparent, parent, child, sibling, spouse, or registered domestic partner as permitted by California law, or any person living in the household. Proof of residence may be required. "Parent" shall mean biological, foster, or adoptive parent, stepparent, legal guardian or person who has parental rights to employee. "Child" shall mean a biological, adopted, or foster child, stepchild, legal ward or a child of a person who has parent's rights.

For the purpose of implementing this benefit, "Extended Family" shall mean: Aunts, Uncles, and Cousins, god-parents or god-parent equivalent.

The City Manager may authorize additional days of leave for bereavement purposes on an as-needed basis.

SECTION 7. WORK SCHEDULE:

Department Heads shall devote not less than 40 hours per week to assigned duties. It is recognized that Department Heads may need to devote more time outside of normal office hours for the benefit of the City.

SECTION 8. REIMBURSEMENTS:

Tuition Reimbursements

The City shall reimburse Department Heads for pre-approved courses to a maximum of \$3,000 per fiscal year. Approval must be obtained from the City Manager prior to enrolling in the course. Requests for reimbursement and approval must be in accordance with the City's policy on tuition reimbursement.

Tuition reimbursement shall be contingent upon employee satisfactorily completing course(s) with a minimum of a "B" grade and commit to continued service (employment) to the City of San Fernando for the equivalent of the school units, not to exceed two (2) years.

Wellness Reimbursement

To encourage the health and well-being of employees, the City shall reimburse certain wellness expenses in an amount not to exceed \$600 each fiscal year. Employees must request reimbursement using a City approved form and supply valid receipts at time of reimbursement. Unused funds will not be carried over to the following fiscal year.

The following are reimbursable items under this section:

- Medical examination by the health provider of the employee's choice.
- Membership in a health club or fitness center.

- Other formal wellness programs provided by professionals (e.g. smoking cessation, weight control, nutrition, or similar programs.)
- Reimbursement for employee or eligible dependent medical expenses (deductibles or co-payments) not covered by the employee's health, dental, or vision insurance.
- Reimbursement for medical, vision, and dental insurance premiums in excess of the monthly flex dollar allowance, if applicable.
- Additional contact lenses, prescription glasses, or prescription sunglasses not covered by medical or vision insurance.
- Dental work (included orthodontia) for employee or eligible dependents not covered by medical or dental insurance.
- Registration fees for health classes (e.g. yoga, cross fit, etc.).
- Entrance fees for competitive sporting events (e.g. bicycle or running race, mud run competition, et cetera).

Technology Reimbursement

Department Heads may elect to receive a technology reimbursement of \$100/month in lieu of a City issued cell phone. Department Heads that continue to receive a City issued cell phone will not receive the reimbursement.

SECTION 9. CAR ALLOWANCE:

Department Heads will receive a City-provided vehicle or car allowance of \$300/month as compensation for attendance at off-site meetings, conferences, professional development, and any other business-related travel. Department Heads receiving a City-provided vehicle or car allowance will not be reimbursed for mileage.

SECTION 10. SEVERANCE PAY:

Department Heads are considered at-will employees and serve at the pleasure of the City Manager. If a Department Head is dismissed or discharged without cause, the City will provide the employee up to three (3) months' severance pay. Severance pay shall be calculated on base salary only, and on years of service with the City at a rate of one (1) month per one (1) year of service. In the event a Department Head is dismissed for cause, the City shall have no obligation to pay severance benefits.

All Department Heads hired before July 1, 2015 will earn one month severance pay upon adoption of this resolution and will earn another month each July 1st thereafter, up to three total months. Department Heads hired on or after July 1, 2015 will earn one month severance pay upon the one-year anniversary of their hire date, and each anniversary thereafter, up to three total months.

After receiving written notice of dismissal from the City, Department Heads may elect to be placed on administrative leave for an amount of time equal to their earned severance pay (i.e. up to three months) instead of receiving a lump-sum payout. The employee must notify the City of their election within three (3) business days of receiving written notice of dismissal.

SECTION 11. EMPLOYMENT CONTRACTS:

The City Manager, with the approval as to form by the City Attorney, may execute a separate employment contract with any Department Head provided the benefits included in the contract do not exceed the benefits listed in this Exhibit. Benefits listed in this Exhibit shall govern unless otherwise provided in the Department Head's employment contract.

SECTION 12. PROVISIONS OF LAW AND SEVERABILITY:

The parties agree that this Resolution is subject to all current and future applicable federal, state, and local laws.

If any article, part, or provision of this Resolution is in conflict with or inconsistent with applicable provisions of federal, state or local law or is otherwise held to be invalid or unenforceable by a court of competent jurisdiction, such article, part, or provision thereof shall be suspended or superseded by such applicable law or regulation, and the remainder of the Resolution shall not be affected thereby.

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Brian Saeki, City Manager
By: Chris Marcarello, Deputy City Manager/Public Works Director

Date: November 16, 2015

Subject: Consideration to Approve Agreement with State of California Department of Transportation (Caltrans) Related to Community Sustainable Transportation Planning Grant

RECOMMENDATION:

It is recommended that the City Council:

- a. Adopt Resolution No. 7713 (Attachment "A"), authorizing the City to submit for reimbursements under the Caltrans Sustainable Transportation Planning Grant; and
- b. Authorize the City Manager or designee to execute agreements related to the Caltrans Planning Grant on behalf of the City.

BACKGROUND:

In October 2014, a grant application was submitted to the State of California Department of Transportation under the Fiscal Year (FY) 2015-16 Sustainable Transportation Planning Grant Program. Approximately \$8.3 Million was available under this program with a required local matching contribution of 11.47% of the total grant award. In 2015, the City of San Fernando was awarded a grant under this program in the amount of \$144,200 to create a Citywide Safe Routes to School Plan. As part of the grant requirement, the City will contribute a local matching contribution of \$18,683 using in-kind (staff assistance) contributions.

ANALYSIS:

The State of California Sustainable Transportation Planning Grant Program was designed to help local agencies develop plans that help promote a balanced multi-modal transportation system. Using these comprehensive transportation plans, it is hoped that communities will be able to initiate and develop physical transportation improvements that help to promote a safe, sustainable, integrated and efficient transportation system in local communities. Using this

Consideration to Approve Agreement with State of California Department of Transportation (Caltrans) Related to Community Sustainable Transportation Planning Grant

Page 2 of 3

framework, the City will work to identify and address mobility deficiencies in the community's transportation system while involving active participation from local stakeholders, including schools, parents, community groups and the community at-large.

As proposed through this grant program, the City will work to develop a Safe Routes to School Plan (Plan) for the entire community. The Plan will study local safety hazards and conditions faced by school-aged children traveling to and from school. Extensive outreach will be conducted involving local school officials, parents, community stakeholders, and City representatives. Overall, the Plan will help to increase dialog related to transportation safety in the community and help to encourage the increased usage of walking and bicycling to neighborhood school campuses. Once complete, the Plan will provide the City with a written document that helps to identify school routes, traffic safety measures, and recommendations for infrastructure improvements to enhance community safety.

The planning effort will entail the following elements:

- Community Advisory Working Group

Through the City's Transportation and Safety Commission, develop a Safe Routes to School Advisory Working Group that helps to guide the development of the Community Safe Routes to School Plan. This Advisory Group will include community residents, local business representatives, school officials, community groups, and staff members.

- Outreach/Community Participation

The planning effort will entail the following:

- Two (2) educational workshops for the community to provide information that will guide school campus assessments and help to analyze improvements that are needed to increase walking and bicycling to school.
- Three (3) neighborhood charrettes/tours will be conducted at local school campuses to evaluate campus conditions and engage school officials related to improving walking/bicycling at local schools. These events will also include an activity for 5th and 6th grade students to draw their routes to school and identify possible safety hazards along their route.
- Community-wide distribution of flyers and mailers to increase awareness of this planning effort.

**Consideration to Approve Agreement with State of California Department of Transportation (Caltrans)
Related to Community Sustainable Transportation Planning Grant**

Page 3 of 3

- Planning/Analysis of Existing Conditions

As part of this Plan, existing community and transportation plans will be reviewed, including traffic volumes, accident data, and capital improvement plans. Bicycle and pedestrian counting equipment will be temporarily installed at key locations to gain a better understanding of local activity in the community. Using this data and stakeholder input, proposed plans will be developed to address deficiencies that are identified.

- Report Preparation

A written document will be prepared including conceptual designs, pedestrian/bicycle routes, and recommended improvements to improve local pedestrian and bicycle conditions. This information will be reviewed with the Advisory Working Group, the Transportation Commission and the City Council.

Additionally, as part of this plan, the County of Los Angeles Department of Public Health has offered assistance at no cost to the City. County staff will act as project manager for coordinating work associated with the Plan. Also of note, County staff will help to enhance these planning efforts with the preparation of an Active Transportation Plan for the City (also at no cost). The Active Transportation Plan will integrate pedestrian and bicycle planning efforts with other multi-modal forms of transportation, including mass transit, local transit, and vehicle travel, among others. This is a tremendous opportunity to complete these planning efforts simultaneously and will position the City well for future infrastructure grant opportunities available through Caltrans and Metro.

CONCLUSION:

It is recommended that the City Council adopt Resolution No. 7713, authorizing the submittal of reimbursements under this grant program. If authorized, it is anticipated that the City Council will consider related items under this program in December, including the approval of a consultant agreement to lead this planning process, as well as the approval of Memoranda of Understanding with the California Center for Public Health and the County Department of Public Health related to outreach efforts under this program. As noted, no City funds will be used as part of this planning process.

ATTACHMENT:

A. Resolution No. 7713

ATTACHMENT "A"

RESOLUTION NO. 7713

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR THE CITY OF SAN FERNANDO'S SAFE ROUTES TO SCHOOLS PLAN

WHEREAS, the City Council of the City of San Fernando is eligible to receive Federal and/or State funding for certain transportation planning related plans, through the California Department of Transportation; and

WHEREAS, A Fund Transfer Agreement is needed to be executed with the California Department of Transportation before such funds can be claimed through the Transportation Planning Grant Programs; and

WHEREAS, the City of San Fernando wishes to delegate authorization to execute these agreements and any amendments thereto;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. City Council of the City of San Fernando, authorizes the City Manager, or designee, to execute all Fund Transfer Agreements and any amendments thereto with the California Department of Transportation.

PASSED, APPROVED, AND ADOPTED this 16th day of November, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held the 16th day of November, 2015 by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Brian Saeki, City Manager
By: Nick Kimball, Finance Director

Date: November 16, 2015

Subject: Consideration to Adopt a Resolution Approving the Issuance of Certificates of Participation to Finance Certain Street Improvement Projects and to Approve the Execution of Necessary Financing Documents

RECOMMENDATION:

It is recommended that the City Council:

- a. Conduct a Public Hearing; and
- b. Pending public testimony, adopt Resolution No. 7705 (Attachment "A") approving the execution and delivery of California Communities Transportation Revenue Certificates of Participation, Series 2016 pursuant to a Trust Agreement, authorizing the execution and delivery of a Trust Agreement, Certificate Purchase Agreement and Installment Sale Agreement, authorizing the distribution of an Official Statement in connection with the offering and sale of such Certificates, and authorizing the filing of a validation action and other matters relating thereto; and
- c. Authorize the City Manager to execute all related documents.

BACKGROUND:

1. California Statewide Communities Development Authority's ("California Communities") is a joint powers authority that was co-founded by the League of California Cities and California State Association of Counties to provide California local governments and private entities access to low-cost, tax-exempt financing programs. The City of San Fernando is a member of California Communities.
2. In 2008, California Communities created a street financing pool program known as the Total Road Improvement Program ("TRIP" or "Program") to assist cities and counties in their efforts to finance larger scale street improvement projects. Participating in the Program is beneficial because the documentation is standardized and the overall process is very

Consideration to Adopt a Resolution Approving the Issuance of Certificates of Participation to Finance Certain Street Improvement Projects and to Approve the Execution of Necessary Financing DocumentsPage 2 of 4

efficient and cost effective. Under the Program, California Communities would cause the execution and delivery of COPs on behalf of the City of San Fernando and potentially any other local participants. Each local agency participant is responsible for installment payments relating to their pro-rata portion of the COPs. Local agency payments are made under individual Installment Sale Agreements. No agency is responsible for any other agency's obligations under the Program.

3. On October 19, 2015, staff presented City Council with an overview of the TRIP financing program and a preliminary plan on how the proceeds will be used. City Council directed staff to proceed with participation in the program and bring back the necessary documents at a future City Council meeting.

ANALYSIS:

Staff is proposing the execution and delivery of the Transportation Revenue COPs in an amount not-to-exceed \$4 million for the initial Certificate series. While staff anticipates borrowing in an amount to generate \$2.4 million in street improvement projects, the additional authorization will grant flexibility for future projects.

The COPs will be secured by Measure R Revenues the City receives from LAMTA. Measure R was passed by the voters of Los Angeles County in November 2008 to "finance new transportation projects and programs, and accelerate those already in the pipeline" (LAMTA website). The ½ cent sales tax measure allocates 15% of annual revenues to local cities' projects. San Fernando receives approximately \$260,000 annually.

Documents to be Approved

Approval of the Resolution will accomplish the following:

- Approves to form the following documents:
 - Installment Sale Agreement (Exhibit 1)
 - Trust Agreement (Exhibit 2)
 - Preliminary Official Statement (Exhibit 3)
 - Certificate Purchase Agreement (Exhibit 4)
- Approves the sale of the Certificates in an amount not to exceed \$4 million.
 - Authorizes the Mayor, City Manager, Deputy City Manager/Public Works Director, and Finance Director, as applicable, to execute all of the above documents, and such other documents and certifications that may be necessary to consummate the transaction.

Consideration to Adopt a Resolution Approving the Issuance of Certificates of Participation to Finance Certain Street Improvement Projects and to Approve the Execution of Necessary Financing Documents

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- Approves the sale of the Certificates to the underwriter, Stifel, Nicolaus & Co., Inc. on a pooled or stand-alone basis at a net interest cost of not more than 6.00 percent and an underwriter's discount of not more than 2.50 percent.
- Authorizes the commencement and completion of proceedings required for the judicial validation of the validity of the foregoing documents and the pledge of Measure R revenues to the payment of Installment Payments (as defined below).

The documents presented for approval pursuant to the attached Resolution are as follows:

Installment Sale Agreement. The Installment Sale Agreement between the City and California Communities to transfer the Project to the City, in consideration of which the City will obligate itself to make installment payments for the Project for California Communities in the amounts and on the dates set forth in the Installment Sale Agreement (the "Installment Payments").

Trust Agreement. The Trust Agreement defines the terms and conditions of the Certificates, the rights and obligations of the City, California Communities, the municipal bond insurer, if any, the trustee (Wilmington Trust, N.A.), and the certificate holders.

Preliminary Official Statement. The Preliminary Official Statement provides disclosure on California Communities, the Certificates, the City and other pertinent information to potential investors needed prior to making an investment decision. The Preliminary Official Statement will also provide disclosure on other participants which may become part of the offering of the Series 2016 Transportation Revenue COPs.

Certificate Purchase Agreement. The Certificate Purchase Agreement among California Communities, Stifel, Nicolaus & Co. and the City defines the terms and conditions under which the Certificates will be purchased by the underwriter.

BUDGET IMPACT:

Average annual installment payments will be approximately \$176,000 and be paid from Measure R funds received annually through 2039 (the sunset date for Measure R Revenues to be collected). Installment payments are expected to be paid solely from transportation revenues (e.g. San Fernando's share of Measure "R" Revenues). Proceeds from the sale of the Certificates will fund the Project described herein in the amount of approximately \$2.4 million. Payments over the 24 year period will total an estimated \$4.1 million.

Since the payments are secured by Measure R revenues, there is no impact to the General Fund, even in the event that Measure R funding is eliminated or diverted from the City. All costs associated with the transaction will be paid for out of proceeds from the issuance of the COPs (assuming the validation proceedings are successful).

Consideration to Adopt a Resolution Approving the Issuance of Certificates of Participation to Finance Certain Street Improvement Projects and to Approve the Execution of Necessary Financing Documents

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Additionally, the City of Azusa approved participation in the TRIP program on November 2, 2015. This provides an added financial benefit as both cities will be able to take advantage of some economies of scale and share in certain issuance costs.

CONCLUSION:

In order to provide funding to repair, upgrade or re-construct residential streets that are in poor to fair condition now, staff is recommending issuance of Transportation Revenue COPs with the California Communities' TRIP for the improvement of local roads and infrastructure.

ATTACHMENT:

A. Resolution No. 7705, Including Exhibits 1 – 4

ATTACHMENT "A"**RESOLUTION NO. 7705**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, APPROVING THE EXECUTION AND DELIVERY OF CALIFORNIA COMMUNITIES TRANSPORTATION REVENUE (INSTALLMENT SALE) CERTIFICATES OF PARTICIPATION, SERIES 2016 (T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM) PURSUANT TO A TRUST AGREEMENT, AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, CERTIFICATE PURCHASE AGREEMENT AND AN INSTALLMENT SALE AGREEMENT, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH CERTIFICATES, AND AUTHORIZING THE FILING OF A VALIDATION ACTION AND OTHER MATTERS RELATING THERETO

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is empowered to assist the City of San Fernando (the "City") in financing certain public capital improvements pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and pursuant to that certain Amended and Restated Joint Exercise of Powers Agreement among a number of California cities, counties and special districts, including the City, dated June 1, 1988;

WHEREAS, the legislative body (the "Legislative Body") of the City has determined that the design, acquisition and construction of certain roadway improvements and street resurfacing, (as more fully described in the herein defined Installment Sale Agreement, the "Project") is necessary and proper for, and for the common benefit of, the City, and under the terms of applicable law, the payment for such Project may be made from Revenues, as defined in the Installment Sale Agreement;

WHEREAS, in order to achieve a lower net interest cost and lower costs of issuance in connection with financing the acquisition of the Project, the City has determined to participate with certain other local agencies which are also members of the Authority (collectively, the "Local Agencies") in the California Communities Total Road Improvement Program (TRIP) (the "Program") established by the Authority to finance street improvement projects, such as the Project;

WHEREAS, pursuant to the Program the Authority will acquire and construct the Project for, and sell the Project to, the City, pursuant to an Installment Sale Agreement by and between the City and the Authority, in the form presented to this meeting (with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Installment Sale Agreement");

WHEREAS, the City desires to authorize the execution and delivery of additional Contracts, as defined in the Installment Sale Agreement, in the future from time to time for the purpose of financing the design, acquisition and construction of additional roadway

improvements and street resurfacing, which are necessary and proper for, and for the common benefit of, the City, the payment for which may be made from Revenues;

WHEREAS, installment sale payments payable in connection with the installment sale agreement of each local agency participating in the Program will be combined, and Wells Fargo Bank, National Association, as trustee (the “Trustee”), pursuant to a Trust Agreement, among the Authority, the Trustee and the Local Agencies (such Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Trust Agreement”), will execute and deliver California Communities Transportation Revenue (Installment Sale) Certificates of Participation, Series 2016 (or such other subseries to be designated) (T.R.I.P. – Total Road Improvement Program) (the “Certificates”), which evidence and represent proportionate and undivided interests in such combined installment sale payments;

WHEREAS, the Authority may determine that securing the timely payment of the principal and interest evidenced by the Certificates by obtaining a bond insurance policy (a “Certificate Insurance Policy”) with respect thereto issued by a municipal bond insurer (a “Certificate Insurer”) could be economically advantageous to the Local Agencies;

WHEREAS, Stifel, Nicolaus & Company, Incorporated, or such other investment banking firm as may be selected in the sole discretion of the Authority (the “Underwriter”), has submitted to the Local Agencies and the Authority a proposed form of an agreement to purchase the Certificates in the form of a Certificate Purchase Agreement (the “Certificate Purchase Agreement”);

WHEREAS, a form of the Preliminary Official Statement (the “Preliminary Official Statement”) to be distributed in connection with the public offering of the Certificates has been prepared;

WHEREAS, the City is a member of the Authority and the Project is to be located within the boundaries of the City;

WHEREAS, the improvement and reconstruction of the Project will provide additional life and more efficient fuel consumption on the streets resulting in significant public benefit;

WHEREAS, the City hereby finds that the financing of such public capital improvements within the City will result in significant public benefits in the form of a safe and reliable transportation network, demonstrable savings in effective interest rates, and the more efficient delivery of City services to residential and commercial development;

WHEREAS, on this date, the City held a public hearing on the financing of such public capital improvements within the City in accordance with Section 6586.5 of the Act;

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in a newspaper of general circulation in the City; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. The foregoing recitals herein contained are true and correct and the Legislative Body so finds.

Section 2. The Project is hereby approved. Any of the Authorized Officers designated in Section 9 hereof (the "Authorized Officers") are authorized to implement the Project in accordance with the provisions of the Installment Sale Agreement and this Resolution.

Section 3. The form of the Installment Sale Agreement, on file with the Clerk of the Legislative Body, is hereby approved, and the Authorized Officers, are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Installment Sale Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the principal components of the installment sale payments shall not exceed \$4,000,000, the true interest cost applicable to the interest components of the installment payments shall not exceed 6.00% per annum and the final principal installment due on the Installment Agreement shall be no later than June 1, 2050. Pursuant to the terms of the Installment Sale Agreement, the Legislative Body further authorizes the execution and delivery of additional Contracts in the future from time to time for the purpose of financing the design, acquisition and construction of additional roadway improvements and street resurfacing, which are necessary and proper for, and for the common benefit of, the City, the payment for which may be made from motor vehicle fuel tax revenues received by the City from the State of California, and deposited into the Gas Tax Fund, and/or Measure R Revenues.

Section 4. The form of Trust Agreement, on file with the Clerk of the Legislative Body, is hereby approved, and the Authorized Officers, are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Trust Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The execution and delivery of the Certificates, on the terms and conditions set forth in, and subject to the limitations specified in, the Trust Agreement and the Installment Sale Agreement, is hereby authorized and approved. The Certificates shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and redemption, shall be issued in the form and shall be as otherwise provided in the Trust Agreement, as the same shall be completed.

Section 5. The form of Certificate Purchase Agreement, on file with the Clerk of the Legislative Body, including the form of the Pricing Confirmation set forth as an exhibit thereto (the "Pricing Confirmation") is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Certificate 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; provided, however, that the underwriter's discount for the sale of the Certificates shall not exceed 2.50% of the aggregate principal amount of the principal components of the installment sale payments payable under the Installment Sale Agreement. Delivery of an executed copy of the Pricing Confirmation by fax or telecopy shall be deemed effective execution and delivery for all purposes.

Section 6. The form of Preliminary Official Statement, on file with the Clerk of the Legislative Body, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Certificates is hereby authorized and approved. Any one of the Authorized Officers is hereby authorized and directed to provide the Underwriter with such information relating to the City as they shall reasonably request for inclusion in the Preliminary Official Statement and Official Statement. Upon inclusion of the information relating to the City therein, the Preliminary Official Statement is, except for certain omissions permitted by Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), hereby deemed final within the meaning of the Rule; *provided* that no representation is made as to the information contained in the Preliminary Official Statement relating to the other Local Agencies or any Certificate Insurer or Certificate Insurance Policy. If, at any time prior to the end of the underwriting period, as defined in the Rule, any event occurs as a result of which the information contained in the Preliminary Official Statement relating to the City might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriter. The Authority is hereby authorized and directed, at or after the time of the sale of the Certificates, for and in the name and on behalf of the City, to execute a final Official Statement in substantially the form of the Preliminary Official Statement presented to this meeting, with such additions thereto or changes therein as the Authority may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Authority is hereby authorized to apply for a Certificate Insurance Policy for the Certificates and to obtain such insurance if the present value cost of such insurance is less than the present value of the estimated interest savings with respect to the Certificates.

Section 8. The form of Installment Sale Agreement provides that Measure R Revenues, as a category of Other Available Revenues, as those terms are respectively defined in the Installment Sale Agreement, may be used to make 2016 Installment Sale Payments. Prior to the execution and delivery of the Installment Sale Agreement, the Authorized Officers, in consultation with the City's Financial Advisor for the Program, shall determine if significant interest rate savings could be achieved through a formal pledge of Measure R Revenues to the payment of 2016 Installment Sale Payments; and if so determined, the Installment Sale Agreement may be amended to reflect such pledge, subject to any then outstanding commitment

or pledge of Measure R Revenues, such amendment to be conclusively evidenced by the execution and delivery of the Installment Sale Agreement.

Section 9. The Authorized Officers are, and each of them is, authorized and directed, for and in the name of the City, to instruct Orrick, Herrington & Sutcliffe LLP, as special counsel to the Program to bring a validation action under Section 860 of the California Code of Civil Procedure to determine the legality and validity of the Installment Sale Agreement, the Trust Agreement, the Certificates and the other documents and proceedings authorized pursuant to this Resolution and to execute and return the fee agreement for such services on file with the Clerk.

Section 10. The Authorized Officer designated below and any and all other officers, agents and employees of the City are hereby authorized and directed to take any and all actions and execute and deliver any and all documents necessary or convenient to accomplish the purposes of this Resolution.

Authorized Officers:

TITLE

- (1) Mayor
- (2) City Manager
- (3) Deputy City Manager/Public Works Director
- (4) Finance Director

Section 11. All actions heretofore taken by the officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 12. This Resolution shall be in full force and effect upon its adoption.

PASSED, APPROVED, AND ADOPTED this 16th day of November, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 16th day of November, 2015, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

EXHIBIT "1"



2016 INSTALLMENT SALE AGREEMENT

by and between the

**CITY OF SAN FERNANDO
as Purchaser**

and the

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY,
as Seller**

for the

**CALIFORNIA COMMUNITIES
LOCAL MEASURE R SALES TAX REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION, SERIES 2016
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)**

Dated as of [DATED DATE]



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2016 INSTALLMENT SALE AGREEMENT

This 2016 INSTALLMENT SALE AGREEMENT (the “2016 Installment Sale Agreement”), dated as of [DATED DATE], by and between the CITY OF SAN FERNANDO, a municipal corporation organized and existing under the Constitution of the State of California (the “Local Agency”), and the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the “Authority”),

W I T N E S S E T H:

WHEREAS, the Authority is a joint exercise of powers authority duly organized and operating pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California;

WHEREAS, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes and empowers the Authority to cause certificates of participation to be executed and delivered to assist local agencies in financing projects and programs consisting of certain public improvements or working capital or liability and other insurance needs whenever a local agency determines that there are significant public benefits from so doing;

WHEREAS, the Local Agency has determined that the design, acquisition and construction of certain roadway improvements and street resurfacing, as hereinafter described (the “Project”) is necessary and proper for Local Agency purposes and uses, and under the terms of applicable law, the payment for such Project may be made from Revenues, as such term is hereinafter defined, and is for the common benefit of the Local Agency as a whole;

WHEREAS, in order to achieve a lower net interest cost and lower costs of issuance in connection with financing the Project, the Local Agency has determined to participate with certain other local agencies in the California Communities T.R.I.P. – Total Road Improvement Program (the “Program”) established by the Authority to finance projects, such as the Project;

WHEREAS, pursuant to the Program the Authority has determined to acquire and construct the Project for, and sell the Project to, the Local Agency;

WHEREAS, the Local Agency has determined to make installment sale payments as hereinafter described to the Authority for the repayment of the costs of the design, acquisition and construction of the Project and the incidental costs and expenses related thereto paid by the Authority; and

WHEREAS, 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 delivery of the 2016 Installment Sale 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 the 2016 Installment Sale 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:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any opinion or report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

Accountant's Report

“Accountant's Report” means a report signed by an Independent Certified Public Accountant.

Accreted Value

“Accreted Value” means, with respect to any Capital Appreciation Certificates, as of the date of calculation, the initial amount thereof plus the interest accrued thereon to such date of calculation, compounded from the date of initial delivery at the approximate interest rate thereof on each June 1 and December 1, as determined in accordance with the table of accreted values for any Capital Appreciation Certificates prepared at the time of sale thereof, assuming in any year that such Accreted Value increases in equal daily amounts on the basis of a year of three hundred sixty (360) days composed of twelve (12) months of thirty (30) days each.

Acquisition Fund

“Acquisition Fund” means the fund by that name established pursuant to Section 2.11 of the Trust Agreement.

Administration Fee

“Administration Fee” means an amount equal to the sum of the Authority Fee, the Trustee Fee, the Rebate Analyst Fee and any other similar fee payable in connection with the administration of the Program, payable on the 15th day of the month preceding each Certificate Payment Date, for the administrative costs of the Project and the Program.

Authority

“Authority” means the California Statewide Communities Development Authority, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California and an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, among a number of California cities, counties and special districts, including the Local Agency, as amended.

Authority Fee

“Authority Fee” means the annual administration fee of the Authority payable, in advance, on _____, 2016 and thereafter on each Certificate Payment Date, equal to .015% of the outstanding amount of the principal components of the 2016 Installment Sale Payments.

Authorized Authority Representative

“Authorized Authority Representative” means any member of the Commission of the Authority and any other person as may be designated and authorized to sign on behalf of the Authority pursuant to a resolution adopted thereby.

Authorized Local Agency Representative

“Authorized Local Agency Representative” means the person or persons designated in Section 8.12 hereof or any other person at the time designated to act on behalf of such Local Agency by written certificate furnished to the Trustee, containing the specimen signature of such person and signed on behalf of such Local Agency by an Authorized Local Agency Representative.

Business Day

“Business Day” means any day on which the Trustee is open for business at its corporate trust office in Los Angeles, California.

Capital Appreciation Certificates

“Capital Appreciation Certificates” means any certificates of participation in 2016 Installment Sale Payments described as such when executed and delivered.

Certificates

“Certificates” means the California Communities Local Measure R Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2016 (T.R.I.P. – Total Road Improvement Program), executed and delivered in accordance with the Trust Agreement.

Code

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

Continuing Disclosure Agreement

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated _____, 2016, by and between the Local Agency and the Trustee, in its capacity as Trustee and as Dissemination Agent, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

Contracts

“Contracts” means all installment sale contracts, capital leases or similar obligations of the Local Agency authorized and executed by the Local Agency under and pursuant to applicable law, the interest and principal and prepayment premium, if any, payments under and pursuant to which are payable from Revenues on a parity with the payment of the 2016 Installment Sale Payments.

Debt Service

“Debt Service” means, for any Fiscal Year, the sum of that portion of the Installment Sale Payments required to be made at the times provided in the Contracts that would have accrued during such Fiscal Year if such Installment Sale Payments were deemed to accrue daily in equal amounts from, in each case, the next preceding Installment Sale Payment Date of interest or principal or the date of the pertinent Contract, as the case may be; provided, that (a) if any of the Installment Sale Payments due under any of such Contracts are evidenced by Capital Appreciation Certificates, then the Accreted Value payment shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date of such Capital Appreciation Certificate; (b) if any of the Installment Sale Payments due under any such Contracts bear interest payable pursuant to a variable interest rate formula, the interest rate on such Contracts for periods when the actual interest rate cannot yet be determined, shall be assumed to be equal to the greater of (i) the actual rate on the date of calculation, or if such Contracts are not yet outstanding, the initial rate (if then established and binding), (ii) if the Contracts have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii)(1) if interest on such Contracts is excludable from gross income under the applicable provisions of the Code, the most recently published “Bond Buyer 25 Bond Revenue Index” (or comparable index if no longer published), or (2) if interest is not so excludable, the interest rate on direct U.S. Treasury obligations with comparable maturities; (c) if any of the Contracts is secured by an irrevocable letter of credit issued by a bank having a combined capital and surplus of at least \$75,000,000, the principal payments or deposits with respect to such Contracts nominally due in the last Fiscal Year in which such Contracts mature may, at the option of the Local Agency, be treated as if they were due as specified in any loan agreement or reimbursement agreement issued in connection with such letter of credit or pursuant to the repayment provisions of such letter of credit and interest on such Contracts after such Fiscal Year shall be assumed to be payable pursuant to the terms of such loan agreement or reimbursement agreement or repayment provisions and (d) if any of such Contracts is not secured by a letter of credit as described in clause (c) of this definition and 20% or more of the original principal of the Installment Sale Payments due under such Contracts is not due until the final stated maturity of the Installment Sale Payments due under such Contracts, such principal may, at the option of the Local Agency, be treated as if it were due based upon a level amortization of such principal over the term of such Installment Sale Payments or 30 years, whichever is greater.

Event of Default

“Event of Default” means an event described in Section 6.01.

Federal Securities

“Federal Securities” means United States of America Treasury bills, notes, bonds or certificates of indebtedness, or obligations for which the full faith and credit of the United States of America are pledged for the payment of interest and principal and interest strips of the Resolution Funding Corporation for which separation of principal and interest is maintained in book-entry form.

Fiscal Year

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the governing body of the Local Agency as the Fiscal Year of the Local Agency.

Gas Tax Account

“Gas Tax Account” means the account established pursuant to State law by ordinance adopted by the governing body of the Local Agency and pursuant to section 3.02 hereof.

Gas Tax Revenues

“Gas Tax Revenues” means all amounts received by the Local Agency from the State in accordance with Streets and Highways Code Sections 2103, 2104(d), (e) and (f), 2105, 2106 and 2107, as such provisions may be amended, and all other revenues (except revenues received by the Local Agency in accordance with Streets and Highways Code Section 2107.5), if any, received by the Local Agency from taxes imposed on the purchase of motor vehicle fuels and any payments, subventions or reimbursements received by the Local Agency from the State in lieu of such revenues.

Independent Certified Public Accountant

“Independent Certified Public Accountant” means any firm of certified public accountants appointed by the Local Agency which is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

2016 Installment Sale Agreement

“2016 Installment Sale Agreement” means this installment sale agreement by and between the Local Agency and the Authority, dated as of [DATED DATE], as originally executed and as it may from time to time be amended or supplemented in accordance herewith and with the terms of the Trust Agreement.

Installment Sale Payments; 2016 Installment Sale Payments

“Installment Sale Payments” means the installment sale, rental or other periodic payments scheduled to be paid by the Local Agency under and pursuant to the Contracts.

“2016 Installment Sale Payments” means the Installment Sale Payments scheduled to be paid by the Local Agency under and pursuant to this 2016 Installment Sale Agreement.

Installment Sale Payment Date; 2016 Installment Sale Payment Date

“Installment Sale Payment Date” means any date on which Installment Sale Payments are scheduled to be paid by the Local Agency under and pursuant to any Contract.

“2016 Installment Sale Payment Date” means any date on which 2016 Installment Sale Payments are scheduled to be paid by the Local Agency under and pursuant to this 2016 Installment Sale Agreement.

Interest Payment Date

“Interest Payment Date” means a date on which interest evidenced and represented by the Certificates is due and payable, being June 1 and December 1 of each year, commencing June 1, 2013.

Local Agency; Local Agencies

“Local Agency” means the City of San Fernando, a municipal corporation organized and existing under the Constitution of the State of California. The plural term “Local Agencies” refers to the Local Agencies listed in Schedule I to the Trust Agreement.

Maximum Annual Debt Service

“Maximum Annual Debt Service” means the greatest total Debt Service payable in any Fiscal Year during the period commencing with the then current Fiscal Year and terminating with the Fiscal Year in which payments are due under the last Contract.

Measure R Ordinance

“Measure R Ordinance” means Ordinance No. 08-01, the Traffic Relief and Rail Expansion Ordinance, adopted by the Los Angeles County Metropolitan Transportation Authority on July 24, 2008, and approved by at least two-thirds of electors voting on such proposition in the November 4, 2008 election, as supplemented and amended.

Measure R Project

“Measure R Project” means a capital project for which Measure R Receipts may be expended.

Measure R Receipts

“Measure R Receipts” means Measure R Revenues allocated by the Los Angeles County Metropolitan Transportation Authority to the Local Agency pursuant to the Measure R Ordinance from the Local Return Subfund established under the Measure R Ordinance, to the

extent the Project constitutes a Measure R Project, in an amount not greater than the Installment Sale Payments related to such Measure R Project.

Measure R Receipts Account

“Measure R Receipts Account” means the account by that name established pursuant to Section 3.02 hereof.

Measure R Receipts Coverage Amount

“Measure R Receipts Coverage Amount” means an amount in any Fiscal Year equal to Measure R Revenues allocated to the Local Agency in excess of Measure R Receipts but not more than 50% of Measure R Receipts for such Fiscal Year.

Measure R Revenues

“Measure R Revenues” means revenues of the Los Angeles County Metropolitan Transportation Authority pursuant to the Measure R Ordinance derived from a retail transactions and use tax imposed in the County of Los Angeles pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, Division 12 (Section 130350 *et seq.*) of the Public Utilities Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, and the Measure R Ordinance. Collection of the Measure R Revenues commenced on July 1, 2009 and terminates on June 30, 2039.

Opinion of Counsel

“Opinion of Counsel” means a written opinion of counsel of national reputation generally recognized to be well qualified in the field of law relating to municipal obligations such as the Certificates, retained by the Local Agency and satisfactory to the Trustee (who shall be under no liability by reason of such approval).

Other Available Revenues

“Other Available Revenues” means revenues, other than Revenues as herein defined, legally available to the Local Agency to make Installment Sale Payments, if any.

Proceeds Subaccount

“Proceeds Subaccount” means the Proceeds Subaccount of the Acquisition Fund established pursuant to Section 2.11 of the Trust Agreement.

Pro Rata Share of Principal

“Pro Rata Share of Principal” means, during any month, an amount of principal becoming due and payable hereunder on the next succeeding Certificate Payment Date that would have accrued if such principal were deemed to accrue monthly in equal amounts from the preceding Certificate Payment Date.

Project

“Project” means the design, engineering, permitting and construction by the Authority, for sale to the Local Agency, of certain street and roadway improvements and resurfacing, all as described more particularly in Exhibit B, attached hereto and incorporated herein.

Purchase Price

“Purchase Price” means the total of all 2016 Installment Sale Payments owed by the Local Agency to the Authority under the conditions and terms hereof for the repayment of the costs of the design, acquisition and construction of the Project and the incidental costs and expenses related thereto paid by the Authority.

Rebate Amount

“Rebate Amount” means, for any given period, the amount determined by the Rebate Analyst as required to be rebated or paid as a yield reduction payment to the United States of America with respect to the Certificates.

Rebate Analyst

“Rebate Analyst” means BLX Group.

Rebate Analyst’s Fee

“Rebate Analyst’s Fee” means the fee payable to the Rebate Analyst, payable annually on each Certificate Payment Date in the amount of \$650 (if the Local Agency elects to have a 5-year calculation of the Rebate Amount performed) and \$1,500 (if the local Agency elects to have an annual calculation of the Rebate Amount performed).

Rebate Fund

“Rebate Fund” means the fund by that name established in Section 5.04 of the Trust Agreement.

Revenues

“Revenues” means all Gas Tax Revenues and Measure R Receipts; provided, however, that Revenues shall not include Gas Tax Revenues with respect to the 2016 Installment Sale Payments, and Gas Tax Revenues are not pledged to the payment of the 2016 Installment Sale Payments.

Reserve Fund

“Reserve Fund” means the fund by that name established pursuant to Section 3.03 of the Trust Agreement.

Reserve Fund Requirement

“Reserve Fund Requirement” means, as of any date of calculation, an amount equal to the least of (i) 10% of the initial stated principal amount (within the meaning of Section 148 of the Code) of the 2016 Installment Sale Payments; (ii) 125% of the average annual 2016 Installment Sale Payments, or (iii) the Maximum Annual Debt Service.

Reserve Subaccount

“Reserve Subaccount” means the subaccount by that name established pursuant to Section 3.03 of the Trust Agreement.

Tax Certificate

“Tax Certificate” means the Tax Certificate dated the date of initial execution and delivery of the Certificates and executed and delivered by the Local Agency.

Trust Agreement

“Trust Agreement” means that certain Trust Agreement dated as of [DATED DATE], by and between the Trustee, the Local Agencies and the Authority, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

Trustee

“Trustee” means Wells Fargo Bank, National Association, with its corporate trust office in Los Angeles, California, acting in its capacity as trustee under and pursuant to the Trust Agreement, and its successors and assigns as provided in the Trust Agreement.

Trustee Fee

“Trustee’s Fee” means the annual administration fee of the Trustee, in the amount of \$1,500 payable in advance on _____, 2016 and thereafter on each Certificate Payment Date, commencing June 1, 20__.

Section 1.02. Terms defined in the Trust Agreement. Capitalized terms not otherwise defined herein have the meanings set forth in the Trust Agreement.

ARTICLE II

THE PROJECT

Section 2.01. Design, Acquisition, Construction and Sale of the Project. The Authority hereby agrees to cause the design, acquisition and construction of the Project for, and to sell the Project to, the Local Agency; and the Local Agency agrees to transfer whatever real or personal property interest it may possess which may be required in order for the Authority to cause such design, acquisition and construction of the Project. In order to implement this provision, the Authority hereby appoints the Local Agency as its agent for the purpose of such design, acquisition and construction, and the Local Agency hereby agrees to enter into such engineering, design and construction contracts and purchase orders as may be necessary, as agent for the Authority, to provide for the complete design, acquisition and construction of the Project. The Local Agency hereby agrees that as such agent it will cause the acquisition and construction of the Project to be diligently completed after the deposit of funds in the Proceeds Subaccount of the Acquisition Fund for such purpose pursuant to Section 2.11 of the Trust Agreement, and that it will use its best efforts to cause the design, acquisition and construction of the Project to be completed by _____, 201_, except for unforeseeable delays beyond the reasonable control of the Local Agency. The Authority hereby agrees to sell, and hereby sells, the Project to the Local Agency. The Local Agency hereby agrees to purchase, and hereby purchases, the Project from the Authority. Notwithstanding the foregoing, it is hereby expressly understood and agreed that the Authority shall be under no liability of any kind or character whatsoever for the payment of any costs or expenses incurred by the Local Agency (whether as agent for the Authority or otherwise) for the acquisition and construction of the Project and that all such costs and expenses shall be paid by the Local Agency, regardless of whether the funds deposited in the Proceeds Subaccount of the Acquisition Fund are sufficient to cover all such costs.

ARTICLE III

2016 INSTALLMENT SALE PAYMENTS; ADMINISTRATION FEE

Section 3.01. Purchase Price and Administration Fee.

(a) The Purchase Price to be paid by the Local Agency to the Authority hereunder is the sum of the principal amount of the Local Agency’s obligation hereunder plus the interest to accrue on the unpaid balance of such principal amount from the date hereof over the term hereof, subject to prepayment as provided in Section 3.03.

(b) The principal amount of the Purchase Price to be paid by the Local Agency to the Authority hereunder is \$XX,000,000.00.

(c) The interest to accrue on the unpaid balance of such principal amount shall be paid by the Local Agency as and shall constitute interest paid on the principal amount of the Local Agency’s Purchase Price obligation hereunder.

(d) Interest on the unpaid balance of the principal amount of the Purchase Price shall accrue, from the date of the initial execution and delivery of the Certificates, on the principal component of each 2016 Installment Sale Payment at the following rates calculated on the basis of a 360-day year comprised of twelve 30-day months:

<u>Principal Component</u> <u>Due Date (June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2029		
2033		
2039		

(e) In addition, the Local Agency shall pay the Administration Fee for the administrative cost of the Project and the Program.

Section 3.02. Payment of 2016 Installment Sale Payments and Administration Fee.

The Local Agency shall, subject to prepayment as provided in Section 3.03, pay the Authority or the Trustee, as appropriate, (i) the Purchase Price, without offset or deduction of any kind, by

paying the principal installments of the 2016 Installment Sale Payments, which principal installments shall be due annually on each Certificate Payment Date, (ii) the interest installments of the 2016 Installment Sale Payments, which interest installments shall be due semiannually on each Interest Payment Date and (iii) the Administration Fee which shall be due annually on each Certificate Payment Date. The 2016 Installment Sale Payments Schedule is set forth in Exhibit A attached hereto. Each 2016 Installment Sale Payment and the Administration Fee shall be payable on and shall be required to be deposited with the Trustee on or before the fifteenth day of the calendar month immediately preceding its due date.

The obligation of the Local Agency to pay the Purchase Price by paying the 2016 Installment Sale Payments and the Administration Fee is, subject to Section 8.01, absolute and unconditional, and until such time as the 2016 Installment Sale Payments shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Section 7.01), the Local Agency will not discontinue or suspend any 2016 Installment Sale Payments or Administration Fee required to be paid by it under this Section when due, whether or not the Project or any part thereof is complete, or its use is suspended, interfered with, reduced, curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party to any agreement for any cause whatsoever.

In order to carry out and effectuate the obligation of the Local Agency contained herein to pay the Purchase Price by paying the 2016 Installment Sale Payments and the Administration Fee, the Local Agency established the "City of San Fernando Pledged Tax Fund" (the "Pledged Tax Fund" and within the Pledged Tax Fund, the "Gas Tax Account" and the "Measure R Receipts Account," which fund and accounts therein the Local Agency agrees and covenants to maintain so long as any 2016 Installment Sale Payments remain unpaid, and all money on deposit therein shall be applied and used only as provided herein. The Local Agency agrees and covenants that (i) all Gas Tax Revenues received by it shall be deposited when and as received in the Local Agency's Gas Tax Account and (ii) all Measure R Receipts received by it shall be deposited when and as received in the Measure R Receipts Account.

All of the Revenues and all money in the Pledged Tax Fund, exclusive of Gas Tax Revenues, and in the funds or accounts so specified and provided for in this 2016 Installment Sale Agreement, are hereby irrevocably pledged to the punctual payment of the 2016 Installment Sale Payments and the Administration Fee, and the Revenues shall not be used for any other purpose while any of the 2016 Installment Sale Payments remain outstanding; subject to the provisions of this 2016 Installment Sale Agreement permitting application thereof for the purposes and on the terms and conditions set forth herein. This pledge shall constitute a first lien on the Revenues for the payment of the 2016 Installment Sale Payments and the Administration Fee in accordance with the terms thereof.

Notwithstanding the foregoing, the Local Agency may satisfy its obligation to deposit 2016 Installment Sale Payments with the Trustee by depositing Other Available Revenues with the Trustee, and if and when so deposited, shall be irrevocably pledged to the payment of 2016 Installment Sale Payments.

All Revenues on deposit in the Pledged Tax Fund shall be set aside and deposited by the Local Agency in the various funds and accounts within the Revenue Fund at the following times in the following order of priority:

(a) Interest and Principal Fund Deposits. On or before the 15th day preceding each Interest Payment Date, the Local Agency shall, from the Revenues in the Pledged Tax Fund, transfer to the Trustee for deposit in the Local Agency's Interest Payment Account in the Interest Fund within the Revenue Fund established under the Trust Agreement (the "Interest Payment Account"), a sum equal to the interest becoming due and payable hereunder on the next succeeding Interest Payment Date, except that no such deposit need be made if the Trustee then holds money in the Interest Payment Account equal to the amount of interest becoming due and payable hereunder on the next succeeding Interest Payment Date; and on or before the 15th day preceding each Certificate Payment Date, the Local Agency shall, from the Revenues in the Pledged Tax Fund, transfer to the Trustee for deposit in the Principal Payment Account in the Principal Fund within the Revenue Fund established under the Trust Agreement (the "Principal Payment Account"), a sum equal to the principal becoming due and payable hereunder on the next succeeding 2016 Installment Sale Payment Date, except that no such deposit need be made if the Trustee then holds money in the Principal Payment Account equal to the amount of Principal becoming due and payable hereunder on the next succeeding 2016 Installment Sale Payment Date; and all money on deposit in the Interest Payment Account and the Principal Payment Account shall be used to make and satisfy the 2016 Installment Sale Payments due on each date and such payments shall be deposited by the Trustee to the Interest Account or the Principal Account, as the case may be, as defined in, created under and in accordance with the terms of, the Trust Agreement.

(b) Reserve Fund Deposit. On or before the 15th day of each month, the Local Agency shall, from the Revenues in the Pledged Tax Fund, transfer to the Trustee for deposit in the Local Agency's Subaccount in the Reserve Fund (the "the Reserve Subaccount") in the Reserve Fund within the Revenue Fund that sum, if any, necessary to restore the Reserve Subaccount to an amount equal to the Reserve Fund Requirement, all in accordance with and subject to the terms and conditions of Section 3.03 of the Trust Agreement. All money in the Reserve Subaccount shall be used and withdrawn by the Trustee for the purposes specified in Section 3.03 of the Trust Agreement.

(c) Administration Fund Deposit. On or before the 15th day preceding each Certificate Payment Date, the Local Agency shall, from the remaining Revenues on deposit in the Pledged Tax Fund, transfer to the Trustee for deposit in the Local Agency's Administration Subaccount in the Administration Fund within the Revenue Fund established under the Trust Agreement (the "Administration Subaccount"), a sum equal to the Administration Fee becoming due and payable hereunder on the next Certificate Payment Date, and all money on deposit in the Administration Subaccount shall be used to pay the Administration Fee due on such Certificate Payment Date, in accordance with the terms of the Trust Agreement.

Notwithstanding the foregoing, provided all transfers required by subparagraphs (b) and (c) above have been made, on any Business Day moneys on deposit in the Pledged Tax Fund in excess of the sum of (i) interest becoming due and payable hereunder on the next succeeding Interest Payment Date (less amounts then held by the Trustee in the Interest Payment Account) and (ii) the Pro Rata Share of Principal (less amounts then held by the Trustee in the Principal Payment Account) may be expended by the Local Agency at any time for any purpose permitted by law.

Section 3.03. Prepayment of 2016 Installment Sale Payments. The Local Agency may prepay from any source of available funds as a whole or in part on any date, on or after June 1, 20__, all or any part of the principal amount of the unpaid 2016 Installment Sale Payments becoming due on or after June 1, 20__, in such order of prepayment as the Local Agency may determine upon written direction to the Authority and the Trustee (or, if the Local Agency fails to designate the order of prepayment, on a proportionate basis among the 2016 Installment Sale Payments and by lot within an Installment Payment Date), at a prepayment price equal to the principal amount prepaid, plus accrued interest to the date of prepayment. Before making any prepayment pursuant to this section, the Local Agency shall give written notice to the Authority and the Trustee describing such event and specifying the date on which the prepayment will be paid and the order thereof, which date shall be not less than thirty (30) days nor more than sixty (60) days from the date such notice is given.

ARTICLE IV

ADDITIONAL CONTRACTS

Section 4.01. Additional Contracts. So long as the Local Agency is not in default hereunder, the Local Agency may at any time execute any Contract the Installment Sale Payments under and pursuant to which, as the case may be, are payable from the Revenues on a parity with the payment by the Local Agency of the 2016 Installment Sale Payments as provided herein; provided, that the audited Revenues plus the Measure R Receipts Coverage Amount for the Fiscal Year next preceding the date of the adoption by the governing body of the Local Agency of the resolution authorizing the execution of such Contract, as evidenced by both a calculation prepared by the Local Agency and a special report prepared by an Independent Certified Public Accountant on such calculation on file with the Local Agency shall have produced a sum equal to at least 150% of the Maximum Annual Debt Service on all Contracts outstanding after the execution of such amendment or Contract.

Notwithstanding the foregoing provisions, there shall be no limitations on the ability of the Local Agency to execute any Contract at any time to refund any outstanding Contract.

ARTICLE V

REPRESENTATIONS AND COVENANTS OF THE LOCAL AGENCY AND THE AUTHORITY

Section 5.01. Authority; Compliance with 2016 Installment Sale Agreement and Trust Agreement. The Local Agency is a municipal corporation organized and existing under the Constitution of the State of California, with full legal right, power and authority to execute, deliver and perform its obligations under this 2016 Installment Sale Agreement, and compliance with the provision hereof will not materially conflict with or constitute a material breach of or default under any applicable provision of law, or any applicable regulation or agreement to which the Local Agency is a party or may be subject.

The Local Agency will punctually pay the 2016 Installment Sale Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate the 2016 Installment Sale Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Authority to observe or perform any agreement, condition, covenant or term contained herein required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Authority or any force majeure, including Acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lockouts, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

The Authority will faithfully observe and perform all the agreements, conditions, covenants and terms contained in the Trust Agreement required to be observed and performed by it, and it is expressly understood and agreed by and among the parties to the 2016 Installment Sale Agreement and the Trust Agreement that each of the agreements, conditions, covenants and terms contained in each such agreement is an essential and material term of the obligation of the Local Agency to repay the costs of the acquisition and construction of the Project and the costs and expenses incidental thereto paid by the Authority pursuant to, and in accordance with, and as authorized under law and the 2016 Installment Sale Agreement.

Section 5.02. Use of Proceeds of Certificates. The Authority and the Local Agency agree that the proceeds of the Certificates deposited in the Local Agency's Proceeds Subaccount of the Acquisition Fund will be used by the Local Agency, as agent for the Authority, to pay the costs of the acquisition and construction of the Project and to pay the incidental costs and expenses related thereto as provided herein and in the Trust Agreement.

Section 5.03. Against Encumbrances. The Local Agency will pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished, or alleged to have been furnished, to or for the Local Agency payable from the Revenues or which may impair the security for the 2016

Installment Sale Payments and will keep the Revenues free of any and all liens against any portion of the Revenues. In the event any such lien attaches to or is filed against any portion of the Revenues, the Local Agency will cause each 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 Local Agency desires to contest any such lien it may do so. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the Local Agency will forthwith pay or cause to be paid and discharged such judgment. The Local Agency will, to the maximum extent permitted by law, indemnify and hold the Authority and the Trustee harmless from, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorneys' fees) as a result of any such lien or claim of lien against any portion of the Revenues.

The Local Agency may pledge, encumber or otherwise secure its obligations with the Revenues, provided, that except as permitted by Section 4.01 hereof, in all instances any such pledge, lien or security is wholly subordinate and junior to the obligations of the Local Agency contained herein.

Section 5.04. Maintenance of Revenues. The Local Agency will use its best efforts to comply with all provisions of law and any regulations issued thereunder relating to the Revenues, including, but not limited to, the Measure R Ordinance, Sections 2119 and 2151 through 2155 of the California Streets and Highways Code and Sections 65089.3 and 65089.4 of the California Government Code relating to conformance with the congestion management program relating to the Local Agency, and will take any and all reasonable actions required in order to maintain the Local Agency's ability to receive the Revenues and apply the same as provided herein; provided, that nothing herein shall require the Local Agency to take any action or expend any Local Agency funds to comply with any such requirements deemed unreasonable in the sole discretion of the Local Agency, so long as failure to take such action or expend such funds will not cause the amount of estimated Revenues to be received by the Local Agency in the next Fiscal Year to be less than 150% of the Maximum Annual Debt Service as of the date of calculation.

Section 5.05. Tax Covenants. The Local Agency will not directly or indirectly use or permit the use of the proceeds of the obligation provided herein or any other funds of the Local Agency or take or omit to take any action which would cause such obligation to be an "arbitrage bond" within the meaning of Section 148 of the Code, or a "federal-guaranteed obligation" under Section 149(b) of the Code, or a "private activity bond" as described in Section 141 of the Code. To that end, so long as any 2016 Installment Sale Payment are unpaid, the Local Agency will comply with all requirements of such sections of the Code to the extent applicable to the obligation provided herein and with the provisions of the Tax Certificate. Upon calculation by the Rebate Analyst of a Rebate Amount, the Local Agency shall, from any source of available funds, immediately transfer an amount of money equal to the Rebate Amount to the Trustee for deposit in the Rebate Fund established pursuant to Section 5.04 of the Trust Agreement.

The Authority and the Local Agency will at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest evidenced and represented by the Certificates will not be included in the gross income of the owners of

such certificates for federal income tax purposes under the Code and will take no action that would result in such interest being so included.

Section 5.06. Prompt Acquisition and Construction of the Project. The Local Agency will take all necessary and appropriate steps to acquire and construct the Project, as agent of the Authority, with all practicable dispatch and in an expeditious manner and in conformity with law so as to complete the same as soon as possible.

Section 5.07. Accounting Records and Financial Statements.

(a) The Local Agency will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Revenues and the Project, which records shall be available for inspection by the Authority and the Trustee at reasonable hours and under reasonable conditions.

(b) The Local Agency will prepare and file with the Trustee annually within six months after the close of each Fiscal Year or, if not then available, as soon thereafter as possible, audited financial statements of the Local Agency for the preceding Fiscal Year.

Section 5.08. Protection of Security and Rights of the Authority and the Trustee. The Local Agency will preserve and protect the security hereof and the rights of the Authority and the Trustee to the 2016 Installment Sale Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 5.09. Further Assurances. The Local Agency will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Authority of the rights and benefits provided to it herein.

Section 5.10. Continuing Disclosure. The Local Agency hereby covenants and agrees that it will enter into and comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this 2016 Installment Sale Agreement, failure of the Local Agency to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; however, the Trustee shall at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Owner of at least 25% aggregate principal amount in Outstanding Certificates, or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Local Agency to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries).

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.01. Events of Default and Acceleration of Principal. If one or more of the following “Events of Default” shall happen, that is to say --

(1) if default shall be made in the due and punctual payment of any 2016 Installment Sale Payment when and as the same shall become due and payable;

(2) if default shall be made by the Local Agency in the performance of any of the agreements or covenants contained herein required to be performed by it, and such default shall have continued for a period of 30 days after the Local Agency shall have been given notice in writing of such default by the Authority or the Trustee; or

(3) if the Local Agency shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Local Agency seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, 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 Local Agency or of the whole or any substantial part of its property;

then and in each and every such case during the continuance of such Event of Default specified in clause (1) above, the Trustee shall, and for any other such Event of Default the Trustee may, by notice in writing to the Local Agency, declare the entire principal amount of the unpaid 2016 Installment Sale Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding. This subsection is subject to the condition, however, that if at any time after the entire principal amount of the unpaid 2016 Installment Sale Payments and the accrued interest thereon shall have been so declared due and payable and before any judgment or decree for the payment of the money due shall have been obtained or entered the Local Agency shall deposit with the Trustee a sum sufficient to pay the unpaid principal amount of the 2016 Installment Sale Payments due and payable prior to such declaration and the accrued interest thereon, with interest on such overdue installments at the rate or rates applicable to such unpaid principal amounts of the 2016 Installment Sale Payments if paid in accordance with their terms, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of the entire principal amount of the unpaid 2016 Installment Sale Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then and in every such case the Trustee, by written notice to the Local Agency, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 6.02. Application of Revenues Upon Acceleration. All Revenues upon the date of the declaration of acceleration by the Trustee as provided in Section 6.01 and all Revenues thereafter received shall be applied in the following order --

First, to the payment of the costs and expenses of the Trustee and the Authority, if any, in carrying out the provisions of this article, including reasonable compensation to its agents, accountants and counsel and including any indemnification expenses;

Second, to the payment of the interest then due and payable on the entire principal amount of the unpaid 2016 Installment Sale Payments, and, if the amount available shall not be sufficient to pay in full all such interest then due and payable, then to the payment thereof ratably, according to the amounts due thereon without any discrimination or preference; and

Third, to the payment of the unpaid principal amount of the 2016 Installment Sale Payments which has become due and payable, whether on the original due date or upon acceleration, with interest on the overdue principal and interest amounts of the unpaid 2016 Installment Sale Payments at the rate or rates of interest then applicable to such 2016 Installment Sale Payments if paid in accordance with their terms, and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the 2016 Installment Sale Payments on any date, together with such interest, then to the payment thereof ratably, according to the principal amount due on such date, without any discrimination or preference.

Section 6.03. Other Remedies. 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 Local Agency or any councilmember, officer or employee thereof, and to compel the Local Agency or any such councilmember, officer or employee to perform and carry out its or his duties under law and the agreements and covenants required to be performed by it or him contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Authority or the Trustee; or

(c) by suit in equity upon the happening of an Event of Default to require the Local Agency and its council members, officers and employees to account as the trustee of an express trust.

Section 6.04. Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the Local Agency, which is absolute and unconditional, to pay the 2016 Installment Sale Payments from the Revenues to the Trustee at the respective due dates or upon prepayment, or shall affect or impair the right of the Trustee, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Trustee 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 of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any

such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Trustee, the Authority and the Local Agency and the Trustee shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 6.05. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by law.

ARTICLE VII

DISCHARGE OF OBLIGATIONS

Section 7.01. Discharge of Obligations.

(a) If the Local Agency shall pay or cause to be paid all the 2016 Installment Sale Payments at the times and in the manner provided herein, the right, title and interest of the Authority herein and the obligations of the Local Agency hereunder shall thereupon cease, terminate, become void and be completely discharged and satisfied.

(b) Any unpaid principal installment of the 2016 Installment Sale Payments shall on its payment date or date of prepayment be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if the Local Agency makes payment of such 2016 Installment Sale Payments and the prepayment premium, if applicable, in the manner provided herein.

(c) All or any portion of unpaid principal installments of the 2016 Installment Sale Payments shall, prior to their payment dates or dates of prepayment, be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if (i) notice is provided by the Local Agency to the Trustee as required by the Trust Agreement, (ii) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Permitted Investments (as that term is defined in the Trust Agreement) of the type described in clause (1) of the definition of Permitted Investments and which are not subject to redemption prior to maturity (including any such Permitted Investments issued or held in book entry form on the books of the Treasury of the United States of America) or tax-exempt obligations of a state or a political subdivision thereof which have been defeased under irrevocable escrow instructions by the deposit of such money or Permitted Investments and which are then rated in the highest rating category by the Rating Agency, the interest on and principal of which when paid will provide money which, together with money, if any, deposited with the Trustee, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due with respect to the principal installments of such 2016 Installment Sale Payments and the principal installments of such 2016 Installment Sale Payments or such portions thereof on and prior to their payment dates or their dates of prepayment, as the case may be, and the prepayment premiums, if any, applicable thereto and (iii) an opinion of nationally recognized bond counsel is filed with the Trustee to the effect that the action taken pursuant to this subsection will not cause the interest evidenced and represented by the Certificates to be includable in gross income under the Code for federal income tax purposes.

(d) After the payment of all 2016 Installment Sale Payments and prepayment premiums, if any, as provided in this section, and payment of all fees and expenses of the Trustee, the Trustee, upon request of the Local Agency, shall cause an accounting for such period or periods as may be requested by the Local Agency to be prepared and filed with the Local Agency and the Authority and shall execute and deliver to the Local Agency and the Authority all such instruments as may be necessary or desirable to evidence such total discharge and satisfaction of the 2016 Installment Sale Agreement, and the Trustee shall pay over and

deliver to the Local Agency, as an overpayment of 2016 Installment Sale Payments, all such money or investments held by it pursuant hereto other than such money and such investments as are required for the payment or prepayment of the 2016 Installment Sale Payments, which money and investments shall continue to be held uninvested by the Trustee in trust for the payment of the 2016 Installment Sale Payments and shall be applied by the Trustee pursuant to the Trust Agreement.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Liability of Local Agency Limited to Revenues. Notwithstanding anything contained herein, the Local Agency shall not be required to advance any moneys derived from any source of income other than the Revenues for the payment of the 2016 Installment Sale Payments or for the performance of any agreements or covenants required to be performed by it contained herein.

The obligation of the Local Agency to make the 2016 Installment Sale Payments is a special obligation of the Local Agency payable solely from the Revenues as provided herein, and does not constitute a debt of the Local Agency or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 8.02. Benefits of 2016 Installment Sale Agreement. Nothing contained herein, expressed or implied, is intended to give to any person other than the Authority, the Local Agency or the Trustee any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the Authority, the Local Agency or the Trustee shall be for the sole and exclusive benefit of the other parties.

Section 8.03. Successor Is Deemed Included in all References to Predecessor. Whenever either the Authority or the Local Agency or the Trustee is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Authority or the Local Agency or the Trustee, and all agreements and covenants required hereby to be performed by or on behalf of the Authority or the Local Agency or the Trustee shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 8.04. Waiver of Personal Liability. No councilmember, officer or employee of the Local Agency shall be individually or personally liable for the payment of the 2016 Installment Sale Payment, but nothing contained herein shall relieve any councilmember, officer or employee of the Local Agency from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 8.05. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections," "Exhibits" and other subdivisions or clauses are to the corresponding articles, sections, exhibits, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to the 2016 Installment Sale Agreement as a whole and not to any particular article, section, exhibit, subdivision or clause hereof.

Section 8.06. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Authority or the Local Agency shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The Authority and the Local Agency hereby declare that they would have executed the 2016 Installment Sale Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 8.07. Assignment. The 2016 Installment Sale Agreement and any rights hereunder shall be assigned by the Authority to the Trustee as provided in the Trust Agreement; to which assignment the Local Agency hereby expressly acknowledges and consents.

Section 8.08. Net Contract. The 2016 Installment Sale Agreement shall be deemed and construed to be a net contract, and the Local Agency shall pay absolutely net during the term hereof the 2016 Installment Sale Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 8.09. California Law. The 2016 Installment Sale Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 8.10. Indemnification. The Local Agency shall, to the full extent then permitted by law, indemnify, protect, hold harmless, save and keep harmless the Authority and its directors, officers and employees and the Trustee and its directors, officers and employees from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, reasonable counsel fees and expenses, penalties and interest arising out of or as the result of the acquisition, construction, installation and use of the Project and each portion thereof or any accident in connection with the operation, use, condition or possession of the Project or any portion thereof resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the Local Agency or the Authority; any claim for patent, trademark or copyright infringement; and any claim arising out of strict liability in tort. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations hereunder or the termination hereof for any reason. The Local Agency 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 Project. The Local Agency and the Authority mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following either's learning thereof.

Section 8.11. Funds. Any fund required to be established and maintained herein by the Local Agency may be established and maintained in the accounting records of the Local Agency either as an account or a fund, and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to any such fund shall at all times be maintained in

accordance with sound accounting practice and with due regard for the protection of the security of the Certificates and the rights of the owners of such Certificates.

Section 8.12. Notices; Authorized Local Agency Representative. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the Local Agency:

City of San Fernando

San Fernando, CA _____

Attn: _____, _____

If to the Authority:

California Statewide Communities
Development Authority
2033 North Main Street, Suite 700
Walnut Creek, CA 94596
Attention: Secretary

Local Agency Authorized Representatives:

TITLE

- (1) Mayor
- (2) City Manager
- (3) Assistant City Manager

Section 8.13. Effective Date. The 2016 Installment Sale Agreement shall become effective upon its execution and delivery, and shall terminate when the Purchase Price shall have been fully paid (or provision for the payment thereof shall have been made pursuant to Article VII).

Section 8.14. Execution in Counterparts. The 2016 Installment Sale Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed and attested the 2016 Installment Sale Agreement by their officers thereunto duly authorized as of the day and year first written above.

CITY OF SAN FERNANDO

By: _____
Mayor

ATTEST

By: _____
City Clerk

CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT
AUTHORITY

By: _____
Authorized Signatory

EXHIBIT A

2016 INSTALLMENT SALE PAYMENTS SCHEDULE

Payment Date	Interest Installment	Principal Installment	Total 2016 Installment Sale Payments
06/01/2016			
12/01/2016			
06/01/2017			
12/01/2017			
06/01/2018			
12/01/2018			
06/01/2019			
12/01/2019			
06/01/2020			
12/01/2020			
06/01/2021			
12/01/2021			
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06/01/2029			
12/01/2029			
06/01/2030			
12/01/2030			
06/01/2031			
12/01/2031			
06/01/2032			
12/01/2032			
Payment Date	Interest Installment	Principal Installment	Total 2016 Installment Sale Payments
06/01/2033			
12/01/2033			
06/01/2034			
12/01/2034			
06/01/2035			
12/01/2035			

06/01/2036
12/01/2036
06/01/2037
12/01/2037
06/01/2038
12/01/2038
06/01/2039

EXHIBIT B**DESCRIPTION OF PROJECT**

The construction of streets and roadways within the corporate limits of the City of San Fernando, which improvements are eligible costs payable from Revenues pursuant to (i) the terms of Article XIX of the California Constitution and related provisions of the California Streets and Highways Code and (ii) Measure R Receipts, including engineering, inspection, contract administration and other incidental costs. The designation of which particular streets and roadways to be improved shall be made by the City Manager of the Local Agency.

EXHIBIT “2”

TRUST AGREEMENT

among

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY,

**WILMINGTON TRUST, N.A.,
as Trustee**

and

**CERTAIN LOCAL AGENCIES
NAMED HEREIN**

Dated as of [DATED DATE]

**CALIFORNIA COMMUNITIES
LOCAL MEASURE R SALES TAX REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION, SERIES 2016
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)**

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TRUST AGREEMENT

THIS TRUST AGREEMENT, made and entered into as of [DATED DATE] (the “Trust Agreement”) among WILMINGTON TRUST, N.A. (the “Trustee”), a national banking association duly organized and existing under and by virtue of the laws of the United States of America, the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (the “Authority”) and the Local Agencies named in Schedule I hereto (the “Local Agencies”);

W I T N E S S E T H:

WHEREAS, the Authority is a joint exercise of powers authority duly organized and operating pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California;

WHEREAS, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes and empowers the Authority to cause certificates of participation to be executed and delivered to assist local agencies in financing projects and programs consisting of certain public improvements or working capital or liability and other insurance needs whenever a local agency determines that there are significant public benefits from so doing;

WHEREAS, each Local Agency has determined that the consummation of the transactions contemplated in its respective Agreement (as hereinafter defined) to which its party and this Trust Agreement will result in significant public benefits, and accordingly, have determined to participate in the California Communities T.R.I.P. – Total Road Improvement Program (the “Program”) established by the Authority;

WHEREAS, each Local Agency is a participant in the Program and a member of the Authority;

WHEREAS, each Local Agency participating in the Program desires to have the 2016 Installment Sale Payments (as hereinafter defined) payable in connection with its respective Agreement combined with similar payments made pursuant to the Agreements executed by the other Local Agencies participating in the Program in order to achieve a lower net interest cost and lower costs of issuance associated with executing and delivering the Certificates (described herein);

WHEREAS, each Local Agency has designated the Trustee to act as its trustee with respect to the funds received by the Local Agency in connection with the sale of the Certificates and with respect to the moneys paid by the Local Agency as 2016 Installment Sale Payments;

WHEREAS, each Local Agency participating in the Program has executed a pricing confirmation, confirming the sale to Stifel, Nicolaus & Company, Incorporated (the “Purchaser”) of the Certificates which evidence and represent proportionate and undivided interests in the 2016 Installment Sale Payments payable in connection with its respective Agreement combined with similar payments made pursuant to the Agreements executed by the other local agencies participating in the Program and constituting part of the same series of Certificates;

WHEREAS, each Local Agency participating in the Program has authorized and directed the Trustee to execute and deliver on its behalf pursuant to the terms of the Trust Agreement, the Certificates in an amount equal to the aggregate principal amount of the principal installments payable by the Local Agencies pursuant to the Agreements;

WHEREAS, the Authority is empowered pursuant to the Agreements and the aforementioned Article 4 to cause the acquisition of the Projects (as hereinafter defined) and to finance the Projects through the execution and delivery of the Certificates;

WHEREAS, in order to provide for the execution and delivery of the Certificates (as hereinafter defined), to establish and declare the terms and conditions upon which the Certificates are to be executed, delivered and secured and to secure the payment of the principal thereof and interest thereon, the Authority has authorized the execution and delivery of this Trust Agreement; and

WHEREAS, the execution of the Agreements and the approval of the execution and delivery of this Trust Agreement and the Certificates have been in all respects duly and validly authorized by the governing board of the Local Agency pursuant to resolution duly adopted (collectively, the "Local Agency Resolutions");

WHEREAS, the Certificates and the form of assignment to be endorsed thereon are to be substantially in the form set forth in Exhibit A, with necessary or appropriate variations, omissions and insertions, as permitted or required hereby;

WHEREAS, the Trustee has accepted the trust created by this Trust Agreement and in evidence thereof has joined in the execution hereof; and

WHEREAS, 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 the Trust Agreement and delivery of the Certificates 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 the Trust Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE 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 hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified:

“Acquisition Fund” means the fund by that name established and maintained pursuant to Section 2.11.

“Act” means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto.

“Administration Fee” means, for each Local Agency, an amount equal to the sum of the Authority Fee, the Trustee Fee, the Rebate Analyst Fee and any other similar fee payable in connection with the administration of the Program, payable by each Local Agency, in accordance with such Local Agency’s Agreement, on the 15th day of the month preceding each Certificate Payment Date, for the administrative costs of the Project and the Program.

“Administration Fund” means the fund by that name established and maintained pursuant to Section 3.03.

“Agreement” or “Agreements” means each 2016 Installment Sale Agreement, dated as of [DATED DATE], between the Authority and a Local Agency as originally executed and as each may from time to time be amended or supplemented pursuant to the provisions hereof and thereof.

“Authority” means the California Statewide Communities Development Authority, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California and an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, among a number of California cities, counties and special districts, including the Local Agency, as amended.

“Authority Fee” means, for each Local Agency, the annual administration fee of the Authority payable by each Local Agency in accordance with such Local Agency’s Agreement.

“Authorized Authority Representative” means any member of the Commission of the Authority and any other person as may be designated and authorized to sign on behalf of the Authority pursuant to a resolution adopted thereby.

“Authorized Local Agency Representative” means the person or persons designated in Section 8.12 of each Agreement or any other person at the time designated to act on behalf of such respective Local Agency by written certificate furnished to the Trustee, containing the specimen signature of such person and signed on behalf of such Local Agency by an Authorized Local Agency Representative.

“Business Day” means any day on which the Trustee is open for business at its corporate trust office in Los Angeles, California.

“Cash Flow Report” means a report prepared by the Cash Flow Consultant identifying Certificates to be prepaid as a result of any prepayment pursuant to Section 2.03 hereof. In the case of any optional prepayment pursuant to section 2.03(a) hereof, such report shall demonstrate that Revenues expected to be received following such prepayment shall be sufficient to pay the regularly scheduled principal and interest represented by the Certificates as such amounts become due and payable. In the case of a mandatory prepayment pursuant to section 2.03(b) hereof, such report shall identify maturities of principal evidenced by the Certificates to be prepaid in a manner consistent with Section 7.02 hereof and Section 6.02 of the related Local Agency Agreement relating to the application of Revenues upon Acceleration.

“Cash Flow Consultant” means Stifel, Nicolaus & Company, Incorporated, or any successor thereto appointed by the Authority.

“Certificates” means the California Communities Local Measure R Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2016 (T.R.I.P. – Total Road Improvement Program). The term **“Serial Certificates”** means Certificates for which no sinking fund payments are provided. The term **“Term Certificates”** means Certificates which are payable on or before their specified payment dates from sinking fund payments established for that purpose and calculated to prepay such Certificates on or before their specified payment dates.

“Certificate Payment Date” means a date on which principal evidenced and represented by the Certificates is due and payable, being June 1 of each year commencing June 1, 2016.

“Code” means the Internal Revenue Code of 1986, as amended and the regulations issued thereunder.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to a Local Agency, or the Local Agencies, as applicable, or the Authority and related to the authorization, execution and delivery of the Certificates, including, but not limited to costs of preparation and reproduction and delivery of documents, filing and recording fees, fees and charges of the Trustee and its counsel, legal fees and charges, fees and disbursements of consultants and professionals, fees of rating agencies, fees and charges for preparation, execution and safekeeping of the Certificates and any other costs, charges or fees in connection with the original execution, delivery, marketing and sale of the Certificates.

“Cost of Issuance Fund” means the fund by that name established and maintained pursuant to Section 2.11.

“Defeasance Obligations” means the following: (1) cash, (2) non callable direct obligations of the United States of America (“Treasuries”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre refunded

municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Certificates.

“Independent Certified Public Accountant” means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State or a comparable successor, appointed and paid by the Authority, and who, or each of whom -

(1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the Authority;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the Authority; and

(3) is not connected with the Authority as a member, officer or employee of the Authority, but who may be regularly retained to audit the accounting records of and make reports thereon to the Authority.

“2016 Installment Sale Payments” means the periodic payments scheduled to be paid by each Local Agency under and pursuant to its respective Agreement.

“Insurance Policy” means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Certificates when due.

“Insurer” means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

“Interest Fund” means the fund by that name established pursuant to Section 3.03.

“Interest Payment Account” means the account within the Interest Fund by that name established for each Local Agency pursuant to Section 3.03.

“Interest Payment Date” means a date on which interest evidenced and represented by the Certificates is due and payable, being June 1 and December 1 of each year, commencing June 1, 2013.

“Local Agency” or **“Local Agencies”** means, as applicable, the respective local agency or local agencies listed in Schedule I hereto, each a duly organized and existing political subdivision of the State of California.

“Office of the Trustee” means the corporate trust office of the Trustee in Los Angeles, California.

“Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal obligations, appointed and paid by the Authority

and satisfactory to and approved by the Trustee (who shall be under no liability by reason of such approval).

“Outstanding,” when used as of any particular time with reference to Certificates, means (subject to the provisions of Section 6.02) all Certificates except

(1) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(2) Certificates paid or deemed to have been paid within the meaning of Section 8.01; and

(3) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered by the Authority pursuant hereto.

“Owner” means any person who shall be the registered owner of any Outstanding Certificate.

“Permitted Investments” means any of the following to the extent permitted by the laws of the State and the applicable Local Agency’s Investment Policy:

- A. Direct 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, and CATS and TIGRS) 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 of America (stripped securities are only permitted if they have been stripped by the agency itself):
 1. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
 2. Farmers Home Administration (FmHA)
Certificates of beneficial ownership
 3. Federal Financing Bank
 4. Federal Housing Administration Debentures (FHA)
 5. General Services Administration
Participation certificates
 6. Government National Mortgage Association (GNMA or “Ginnie Mae”)
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
(not acceptable for certain cash-flow sensitive issues.)

7. U.S. Maritime Administration
Guaranteed Title XI financing
 8. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds
- C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. 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
 2. Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”)
Participation Certificates
Senior debt obligations
 3. Federal National Mortgage Association (FNMA or “Fannie Mae”)
Mortgage-backed securities and senior debt obligations
 4. Resolution Funding Corp. (REFCORP) obligations
 5. Farm Credit System
Consolidated systemwide 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, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services.
- E. Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks which may include the Trustee and its affiliates. The collateral must be held by a third party and the Owners must have a perfected first security interest in the collateral.
- F. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF which may include the Trustee and its affiliates.

- G. Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements (Investment Agreement criteria is available upon request).
- 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 which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P which may include the Trustee and its affiliates.
- K. The Local Agency Investment Fund (LAIF) administered by the State of California.
- L. Repurchase Agreements for 30 days or less must follow the following criteria.

Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity 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 municipal entity in exchange for the securities at a specified date.

1. Repos 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 Standard & Poor's Corporation and Moody's Investor Services, or
 - b. Banks rated "A" or above by Standard & Poor's Corporation and Moody's Investor Services.
2. The written repo contract must include the following:
 - a. Securities which are acceptable for transfer are:
 - (1) Direct U.S. governments, or
 - (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)
 - b. The term of the repo 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. 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% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% 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%.
3. Legal opinion which must be delivered to the municipal entity:
- a. Repo meets guidelines under state law for legal investment of public funds.

“Prepayment Price” means, with respect to any Certificate (or portion thereof) the principal amount with respect to such Certificate (or portion), plus the applicable premium, if any, payable upon prepayment thereof pursuant to the provisions of such Certificate and the Trust Agreement.

“Pricing Confirmation Supplement” means that certain Pricing Confirmation Supplement attached to each Purchase Agreement as agreed and accepted by each of the respective Local Agencies.

“Principal Fund” means the account by that name established and maintained pursuant to Section 3.03.

“Principal Payment Account” means the account within the Principal Fund by that name established for each Local Agency pursuant to Section 3.03.

“Principal Payment Date” means a date on which principal evidenced and represented by the Certificates is due and payable, being June 1 of each year, commencing June 1, 201_.

“Project(s)” has the meaning ascribed to such term in each Agreement.

“Project Costs” means all costs of payment of, or reimbursement for, the engineering, design, acquisition, installation, provision and financing of the Projects, including but not limited

to, engineering and installation management costs, administrative costs and capital expenditures relating to financing payments, costs of accounting, feasibility, environmental and other reports, interest during the period of acquisition and installation of the Projects, insurance costs, inspection costs, permit fees, filing and recording costs, printing costs, reproduction and binding costs, initial fees and charges of the Authority and the Trustee, escrow fees, financing discounts, legal fees and charges, financial and other professional consultant fees and charges in connection with the foregoing.

“Program” means the California Communities T.R.I.P. – Total Road Improvement Program pursuant to which the Certificates are executed and delivered to assist local agencies in financing Projects.

“Purchase Agreement” means that certain Purchase Agreement by and between each of the respective Local Agencies and the Purchaser relating to the Agreements and the Certificates.

“Purchaser” means Stifel, Nicolaus & Company, Incorporated, as Purchaser of the Certificates.

“Purchase Price” means with respect to any Certificate (or portion thereof) the principal amount with respect to such Certificate (or portion), plus the applicable premium, if any, payable upon purchase thereof pursuant to the provisions of such Certificate and the Trust Agreement.

“Qualified Reserve Instrument” means an insurance policy meeting the requirements of Section 3.03(3).

“Rating Agency” means Standard & Poor’s Corporation or, in the event that Standard & Poor’s Corporation no longer maintains a rating on the Certificates, any other nationally recognized bond rating agency then maintaining a rating on the Certificates, but, in each instance, only so long as Standard & Poor’s Corporation, or other nationally recognized rating agency then maintains a rating on the Certificates.

“Rebate Amount” means, for any given period, the amount determined by the Rebate Analyst as required to be rebated or paid as a yield reduction payment to the United States of America with respect to the Certificates.

“Rebate Analyst” means BLX Group.

“Rebate Analyst’s Fee” means, for each Local Agency, the fee payable to the Rebate Analyst, payable by each Local Agency in accordance with such Local Agency’s Agreement.

“Rebate Fund” means the fund by that name established and maintained pursuant to Section 4.04.

“Record Date” means the 15th day of the month next preceding each Interest Payment Date, whether or not such day is a business day.

“Request” or “Certificate” with respect to a Local Agency means an instrument in writing signed on behalf of such Local Agency by an Authorized Local Agency Representative,

and with respect to the Authority means an instrument in writing signed on behalf of the Authority by an Authorized Authority Representative or other person at the time designated to act on behalf of the Authority by written certificate furnished to the Trustee.

“Reserve Fund” means the fund by that name established and maintained pursuant to Section 3.03.

“Reserve Fund Requirement” means, as of any date of calculation, separately with respect to each Agreement, an amount equal to the least of (i) 10% of the initial stated principal amount (within the meaning of Section 148 of the Code) of the 2016 Installment Sale Payments under the Agreement; (ii) 125% of the average annual 2016 Installment Sale Payments under the Agreement; or (iii) the Maximum Annual Debt Service, as defined in each Agreement.

“Reserve Subaccount” means the Subaccount within the Reserve Fund by that name established for each Local Agency pursuant to Section 3.03.

“Revenues” means all 2016 Installment Sale Payments and other payments paid by the Local Agencies and received by the Authority pursuant to the Agreements and all interest or other income from any investment of any money in any fund or account (other than the Rebate Fund) pursuant to Section 3.04.

“Revenue Fund” means the fund by that name established and maintained pursuant to Section 3.02.

“Securities Depositories” means: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190; or such other addresses and/or such other securities depositories as the Authority may designate to the Trustee in writing.

“State” means the State of California.

“Supplemental Trust Agreement” means any trust agreement then in full force and effect which has been duly executed and delivered by the Authority and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Trust Agreement is specifically authorized hereunder.

“Surplus Account” means the account by that name established and maintained pursuant to Section 3.03.

“Tax Certificate” means each Tax Certificate dated the date of initial delivery of the Certificates and executed and delivered by the Authority and each Local Agency.

“Trust Agreement” means this Trust Agreement, dated as of [DATED DATE], between the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions hereof.

“Trustee” means Wilmington Trust, N.A., or any successor thereto appointed pursuant to this Trust Agreement.

“**Trustee’s Fee**” means, for each Local Agency, the annual administration fee of the Trustee, in the amount of \$1,500.00 payable in advance on _____, 2016 and thereafter on each Certificate Payment Date.

Section 1.02. Equal Security. In consideration of the acceptance of the Certificates by the Owners, the Trust Agreement shall be deemed to be and shall constitute a contract among the Trustee, the Local Agencies, and the Owners to secure the full and final payment of the interest and principal evidenced and represented by the Certificates, subject to the agreements, conditions, covenants and terms contained herein; and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Trustee shall be for the equal and proportionate benefit, protection and security of all Owners without distinction, preference or priority as to benefit, protection or security of any Certificates over any other Certificates by reason of the number or date thereof or the time of execution or delivery thereof or otherwise for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

EXECUTION AND DELIVERY OF CERTIFICATES

Section 2.01. Preparation and Purpose of Certificates. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Certificates and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the execution and delivery of the Certificates do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to cause the Certificates to be executed and delivered in the form and manner provided herein for the purpose of providing funds to pay for and construct the Projects, and that the Certificates shall be entitled to the benefit, protection and security of the provisions hereof. The Trustee is hereby authorized and directed to prepare the Certificates in the initial aggregate principal amount of _____ dollars (\$XX,000,000), evidencing and representing the aggregate principal components of the 2016 Installment Sale Payments and each evidencing and representing a proportionate, undivided interest in the 2016 Installment Sale Payments. The Local Agencies hereby authorize the Authority to execute on their behalf, a letter of representations to be delivered to DTC in connection with the delivery of the Certificates (the "Representation Letter").

Each Local Agency participating in the Program is the Local Agency required to make the 2016 Installment Sale Payments with respect to its Agreement which, when combined with the 2016 Installment Sale Payments to be made with respect to the Agreements of other Local Agencies participating in the Program and the same series, shall be evidenced by the Certificates which evidence and represent a proportionate and undivided interest in the 2016 Installment Sale Payments of each Local Agency, such that each Local Agency participating in the Program is severally, and not jointly, liable on each such Certificates in the proportion that the principal component of such Local Agency's Installment Sale Payments bears to the total aggregate principal component of the Installment Sale Payments to be made by all Local Agencies participating in the Program and the same series. Each Local Agency participating in the Program has, pursuant to its Local Agency Resolution, authorized and directed the Trustee on behalf of that Local Agency to prepare and execute the Certificates and to deliver the Certificates to the Purchaser upon payment of the purchase price thereof, pursuant to the terms of the Trust Agreement.

Section 2.02. Terms of the Certificates. The Certificates shall be designated "California Communities Local Measure R Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2016 (T.R.I.P. – Total Road Improvement Program)." This designation is an intended revision of the nomenclature for the Certificates originally included in the materials filed in connection with the proceedings for validation of the Certificates in the interest of clarity in marketing the Certificates. The Certificates shall be dated as of _____, 2016, shall be executed and delivered only in fully registered form in denominations of five thousand dollars (\$5,000) or any integral multiple of five thousand dollars (\$5,000) (not exceeding the principal amount of Certificates payable at any one time), and shall be payable on the Certificate Payment Dates and in the principal amounts and evidence and represent interest at the rates as set forth in the following schedule:

<u>Certificate Payment Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2029		
2033		
2039		

The principal evidenced and represented by the Certificates shall be payable in lawful money of the United States of America by check upon presentation thereof at maturity or on prepayment prior to maturity at the Office of the Trustee.

The Certificates shall evidence and represent interest at the rates set forth above, payable on Interest Payment Date. The Certificates shall evidence and represent interest from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is an Interest Payment Date, in which event they shall evidence and represent interest from such date, or unless such date of registration is prior to the first Interest Payment Date, in which event they shall evidence and represent interest from _____, 201_; provided, however, that if at the time of registration of any Certificate interest is then in default on the Outstanding Certificates, such Certificate shall evidence and represent interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Certificates. Payment of interest evidenced and represented by the Certificates due on or before the maturity or prior prepayment thereof shall be made to the person whose name appears in the Certificates registration records maintained by the Trustee pursuant to Section 2.08 as the registered owner thereof as of the close of business on the Record Date preceding each Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on such Interest Payment Date (or the next Business Day if such Interest Payment Date is not a Business Day) to such registered owner at the address as it appears in such books or at such other address as may have been filed with the Trustee for that purpose.

Payment of the principal evidenced and represented by the Certificates shall be made by check upon the surrender thereof at maturity or on prepayment prior to maturity at the Office of the Trustee. The Owner of \$1,000,000 or more in aggregate principal amount evidenced by the Certificates may request in writing that the Trustee pay the interest evidenced by such Certificates by wire transfer and the Trustee shall comply with such request for all Interest Payment Dates following the fifteenth (15th) day after receipt of such request until such request is rescinded.

Section 2.03. Prepayment of Certificates.

(a) Optional Prepayment. The Certificates maturing on or after June 1, 202_, shall be subject to optional prepayment prior to maturity, at the option of the Authority upon direction of the Local Agency, on or after June 1, 202_ in whole or in part (by lot among Certificates with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate), on any date, at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium. The Local Agency shall provide notice to the Authority and the Trustee at least forty-five (45) days prior to the prepayment date (or such lesser period of time acceptable to the Trustee in its sole discretion) specifying the principal amount evidenced by and maturities of the 2016 Installment Sale Payments to be prepaid.

(b) Mandatory Prepayment. The Certificates shall be subject to mandatory prepayment prior to maturity, in whole or in part (by lot among Certificates with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate), on any date, from amounts received upon the acceleration of 2016 Installment Sale Payments upon the occurrence of an event of default under any Agreement, at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium.

(c) Mandatory Sinking Fund Prepayment. The Certificates maturing on June 1, 202_, are subject to mandatory prepayment on June 1 of each year commencing June 1, 202_, in part, from mandatory sinking fund payments, on each June 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such Certificates to be so prepaid and the dates therefor shall be as follows:

Mandatory Prepayment Date (June 1)	Principal Amount
2027	
2028	
2029	

The amount of each such prepayment shall be reduced in the event and to the extent that 2016 Installment Sale Payments payable on the corresponding 2016 Installment Sale Payment Date are optionally prepaid pursuant to the any Agreement or Agreements and applied to the prepayment of Certificates maturing on June 1, 202_. In such event, the Local Agencies shall provide the Trustee with a revised sinking fund prepayment schedule.

The Certificates maturing on June 1, 203_, are subject to mandatory prepayment on June 1 of each year commencing June 1, 203_, in part, from mandatory sinking fund payments, on each June 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for

prepayment, without premium. The principal evidenced by such Certificates to be so prepaid and the dates therefor shall be as follows:

Mandatory Prepayment Date (June 1)	Principal Amount
2030	
2031	
2032	
2033	

The amount of each such prepayment shall be reduced in the event and to the extent that 2016 Installment Sale Payments payable on the corresponding 2016 Installment Sale Payment Date are optionally prepaid pursuant to any Agreement or Agreements and applied to the prepayment of Certificates maturing on June 1, 203_. In such event, the Local Agencies shall provide the Trustee with a revised sinking fund prepayment schedule.

The Certificates maturing on June 1, 203_, are subject to mandatory prepayment on June 1 of each year commencing June 1, 203_, in part, from mandatory sinking fund payments, on each June 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such Certificates to be so prepaid and the dates therefor shall be as follows:

Mandatory Prepayment Date (June 1)	Principal Amount
2034	
2035	
2036	
2037	
2038	
2039	

The amount of each such prepayment shall be reduced in the event and to the extent that 2016 Installment Sale Payments payable on the corresponding 2016 Installment Sale Payment Date are optionally prepaid pursuant to any Agreement or Agreements and applied to the prepayment of Certificates maturing on June 1, 203_. In such event, the Local Agencies shall provide the Trustee with a revised sinking fund prepayment schedule.

(d) Selection of Certificates. Whenever provision is made in this Trust Agreement for the prepayment or purchase of less than all of the Certificates or any given portion thereof, the Trustee shall, subject to the following sentence, select the Certificates to be prepaid or purchased, from all Certificates subject to prepayment or purchase or such given portion thereof equal to a multiple of \$5,000 or any integral multiple thereof not previously called for prepayment or purchase. Upon notice of any prepayment

pursuant to Section 2.03(a) hereof or receipt of moneys resulting in a prepayment pursuant to Section 2.03(b) hereof, the Trustee shall request the Cash Flow Consultant to prepare a Cash Flow Report identifying the principal amount and maturities of the Certificates to be prepaid. The Trustee shall promptly notify the Authority in writing of any prepayment or purchase of Certificates and of the Certificates or portions thereof so selected for prepayment or purchase.

(e) Purchase in Lieu of Prepayment. In lieu of prepayment of any Certificates, amounts on deposit in the Revenue Fund or in any sinking account therein may also be used and withdrawn by the Trustee at any time, upon the Request of the Authority, for the purchase of such Certificates 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 Fund) as the Authority may in its discretion determine, but not in excess of the principal amount thereof plus accrued interest to the purchase date. The principal amount of any Certificates so purchased by the Trustee in any twelve-month period ending 60 days prior to any Certificate Payment Date in any year shall be credited towards and shall reduce the principal amount of such Term Certificates required to be Prepaid on such Certificate Payment Date in such year.

(f) Notice of Prepayment or Purchase. Notice of prepayment or purchase shall be mailed by first-class mail by the Trustee, not less than thirty (30) nor more than sixty (60) days prior to the prepayment or purchase date, to (i) the respective Owners of any Certificates designated for prepayment or purchase at their addresses appearing on the registration books of the Trustee, and (ii) if the Certificates are no longer held by the Depository, to the Securities Depositories and the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System. Notice of prepayment shall be given by telecopy, certified, registered, or overnight mail to the Securities Depositories and the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System. Each notice of prepayment or purchase shall state the date of such notice, the date of initial execution and delivery of the Certificates, the prepayment or purchase date, the Prepayment Price or Purchase Price, the place or places of prepayment or purchase (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the Certificates of each Certificate Payment Date or Dates, and, if less than all of the Certificates of any such Certificate Payment Date, the distinctive certificate numbers of the Certificates with such Certificate Payment Date, to be prepaid or purchased and, in the case of Certificates to be prepaid or purchased in part only, the respective portions of the principal amount thereof to be prepaid or purchased. Each such notice shall also state that on said date there will become due and payable on each of said Certificates the Prepayment Price or Purchase Price represented thereby or of said specified portion of the principal amount thereof in the case of a Certificate to be prepaid or purchased in part only, together with interest accrued with respect thereto to the prepayment or purchase date, and that from and after such prepayment or purchase date, interest thereon shall cease to accrue, and shall require that such Certificates be then surrendered at the address or addresses of the Trustee specified in the prepayment or purchase notice.

If any of the Certificates are prepaid pursuant to an advance refunding, notice of such advance refunding and prepayment shall be given in the same manner as above provided, and also within the same time period with respect to the actual prepayment date.

Notice of prepayment or purchase of Certificates shall be given by the Trustee, at the expense of the Authority. Conditional notice of prepayment may be given at the direction of the Authority and shall be given if funds sufficient to prepay the Certificates are not then on deposit with the Trustee. If at the time of mailing of notice, funds are not then on deposit with the Trustee, such notice shall state that it is conditional upon the deposit of the funds not later than the opening of business on the date of prepayment of the Certificates, and such notice shall be of no effect unless such moneys are so deposited.

Failure by the Trustee to give notice pursuant to this Section 2.03 to the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System or Securities Depositories shall not affect the sufficiency of the proceedings for prepayment or purchase. Failure by the Trustee to mail notice of prepayment or purchase pursuant to this Section 2.03 to any one or more of the respective Owners of any Certificates designated for prepayment or purchase shall not affect the sufficiency of the proceedings for prepayment with respect to the Owner or Owners to whom such notice was mailed.

(g) Partial Prepayment of Purchase of Certificates. Upon surrender of any Certificate to be prepaid or purchased in part only, the Trustee shall execute and deliver to the registered owner thereof, at the expense of the Authority, a new Certificate or Certificates of authorized denominations, and having the same Certificate Payment Date, equal in aggregate principal amount to the unprepaid or unpurchased portion of the Certificate surrendered.

(h) Effect of Prepayment. Notice of prepayment having been duly given as aforesaid, and moneys for payment of the Prepayment Price of, together with interest accrued to the prepayment date with respect to, the Certificates (or portions thereof) so called for prepayment being held by the Trustee, on the prepayment date designated in such notice, the Certificates (or portions thereof) so called for prepayment shall become due and payable at the Prepayment Price specified in such notice and interest accrued with respect thereto to the prepayment date, interest with respect to the Certificates so called for prepayment shall cease to accrue, said Certificates (or portions thereof) shall cease to be entitled to any benefit or security under this Trust Agreement, and the Owners of said Certificates shall have no rights in respect thereof except to receive payment of said Prepayment Price and accrued interest.

All Certificates prepaid pursuant to the provisions of this Section shall be cancelled upon surrender thereof by the Trustee. All Certificates purchased pursuant to the provisions of this Section shall be registered in the name of the Authority and delivered to, or as directed in writing by, the Authority.

Section 2.04. Form of Certificates. The Certificates and the registration endorsement and assignment to appear thereon shall be substantially in the forms set forth in Exhibit A hereto attached and by this reference herein incorporated (provided that on the face of each Certificates, at the place where the portion of the form set forth below appears on the reverse side of such Certificate, there shall be inserted the following sentence: REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS CERTIFICATE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL, FOR ALL PURPOSES, HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE).

Section 2.05. Execution of Certificates. The Certificates shall be executed by the Trustee by the manual signature of an authorized signatory of the Trustee. Only those Certificates executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such execution by the Trustee shall be conclusive evidence that the Certificates so executed and registered have been duly authorized, executed and delivered hereunder and are entitled to the benefit, protection and security hereof.

Section 2.06. Transfer and Payment of Certificates. Any Certificates may, in accordance with its terms, be transferred in the records maintained pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificates for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee. Whenever any Certificates shall be surrendered for transfer, the Trustee shall execute and deliver to the transferee a new Certificate or Certificates of the same series and maturity for a like aggregate principal amount. 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 as a condition precedent to the exercise of such privilege.

The Authority and the Trustee may deem and treat the registered owner of any Certificates as the absolute owner of such Certificates for the purpose of receiving payment thereof and for all other purposes, whether such Certificates shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest and principal and prepayment premium, if any, evidenced and represented by such Certificates shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Certificates to the extent of the sum or sums so paid.

The Trustee shall not be required to execute, register the transfer of or exchange any Certificates during the fifteen (15) days preceding each Interest Payment Date or the date of selection by the Trustee of Certificates for prepayment, or to register the transfer of or exchange any Certificates which have been selected for prepayment in whole or in part.

Section 2.07. Exchange of Certificates. Certificates may be exchanged at the office of the Trustee for a like aggregate principal amount of Certificates of the same series and payment date of other authorized denominations. 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 as a condition precedent to the exercise of such privilege.

Section 2.08. Certificate Registration Books. The Trustee will keep at its office sufficient books for the registration and transfer of the Certificates which shall at all times be open to inspection by the Local Agencies or any Owner on reasonable notice during regular business hours on any Business Day, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Certificates in such books as hereinabove provided.

Section 2.09. Mutilated, Destroyed, Stolen or Lost Certificates. If any Certificate shall become mutilated the Trustee at the expense of the Owner shall thereupon authenticate and deliver, a new Certificate of like tenor and number in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be canceled.

If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and the Authority and indemnity satisfactory to the Trustee and the Authority shall be given, the Trustee, at the expense of the Owner, shall thereupon execute and deliver, a new Certificate of like tenor and number in lieu of and in substitution for the Certificate so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Certificate executed and delivered under this Section 2.09 and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates of the same series secured by this Trust Agreement. Neither the Authority nor the Trustee shall be required to treat both the original Certificate and any duplicate Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and duplicate Certificate shall be treated as one and the same.

Section 2.10. Temporary Certificates. The Certificates executed and delivered under this Trust Agreement may be initially executed and delivered in temporary form exchangeable for definitive Certificates when ready for delivery. The temporary Certificates may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Trustee, shall be in fully registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Certificate shall be executed and delivered by the Trustee upon the same conditions and terms and in substantially the same manner as definitive Certificates. If the Trustee executes and delivers temporary Certificates it will execute and furnish definitive Certificates without delay and thereupon the temporary Certificates may be surrendered, for cancellation, in exchange therefor at the Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Certificates an equal aggregate principal amount of definitive Certificates of authorized denominations. Until so exchanged, the temporary Certificates shall be entitled to the same benefits under this Trust Agreement as definitive Certificates delivered hereunder.

Section 2.11. Procedure for the Execution and Delivery of Certificates; Establishment of Funds and Accounts. At any time after the sale of the Certificates, the Trustee shall execute the Certificates for delivery hereunder, and thereupon the Certificates shall be delivered by the Trustee to the purchaser thereof upon the Request of the Authority and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the Certificates from the purchaser thereof, the Trustee shall set aside and deposit the proceeds received from such sale in the following respective accounts or funds or with the following respective persons, in the following order of priority:

(a) The Trustee shall deposit in the Reserve Subaccount for each Local Agency within the Reserve Fund within the Revenue Fund established pursuant to Section 3.03 hereof a sum equal to the Reserve Fund Requirement for each Local Agency.

(b) The "Cost of Issuance Fund" is hereby established as a separate trust fund with the Trustee. The Trustee shall deposit a sum equal to the amount set forth in such Request of the Authority in the Cost of Issuance Fund. The moneys in the Cost of Issuance Fund shall be disbursed, upon the Request of the Authority, to pay Costs of Issuance. Upon the payment in full of the Costs of Issuance or the making of adequate provision for the payment thereof, evidenced by a Certificate of the Authority to the Trustee, any balance remaining in such Fund shall be transferred to the Proceeds Subaccounts of the Acquisition Fund in proportion to the amounts initially deposited in the Costs of Issuance Fund attributable to each Local Agency, and pending such transfer and application, the moneys in such Fund may be invested as permitted by Section 3.04 hereof; provided, however, that investment income resulting from any such investment shall be retained in the Cost of Issuance Fund. Any residual earnings received after the transfer referenced above will, as and when convenient, be transferred to the Proceeds Subaccounts of the Acquisition Fund in proportion to the amounts initially deposited in the Costs of Issuance Fund attributable to each Local Agency.

(c) There shall be further created a special trust fund to be held by the Trustee called the "Acquisition Fund." Within the Acquisition Fund the Trustee shall create Proceeds Subaccounts (the "Proceeds Subaccounts") to account separately for funds in the Acquisition Fund attributable to each Local Agency. The Trustee shall deposit a sum equal to the amount set forth in such Request of the Authority in the Acquisition Fund, and such moneys shall be credited to each of the Local Agencies in the amounts set forth in Schedule II, which is attached hereto and made a part hereof. Moneys in the Proceeds Subaccounts shall be disbursed to each Local Agency in the amounts set forth in Schedule II relating to such Local Agency pursuant to a Requisition in the form attached hereto as Exhibit B. Such Requisition shall be in the form of a sequentially numbered requisition and shall set forth the name and address of the person or persons to whom said amounts are to be disbursed and state the amounts to be disbursed are for Project Costs properly chargeable to the Proceeds Subaccount and have not been the subject of any previous requisition. Upon delivery to the Trustee of a Request of a Local Agency, any Certificate proceeds remaining in such Local Agency's Proceeds Subaccount upon completion of its Project (which completion shall be evidenced by such Request of the Local Agency) shall be applied by the Trustee to offset scheduled 2016 Installment Sale

Payments required to be paid by the Local Agency under its Agreement or in such other manner as may be directed in such Request of the Local Agency. Upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Acquisition Fund shall not be disbursed, but shall instead be applied to the payment of the scheduled principal and interest represented by the Certificates as such amounts become due and payable or the prepayment price of the Certificates.

Section 2.12. Validity of Certificates. The validity of the Certificates shall not be dependent on or affected in any way by the proceedings taken by the Authority or the Trustee for the financing of the Projects or by any contracts made by the Authority or its agents in connection therewith, and shall not be dependent upon the completion of any of the Projects or upon the performance by any person, firm or corporation of his or its obligation with respect thereto. The recital contained in the Certificates that the same are executed and delivered pursuant hereto shall be conclusive evidence of their validity and of the regularity of their execution and delivery, and all Certificates shall be incontestable from and after their execution and delivery. The Certificates shall be deemed to be executed and delivered, within the meaning hereof, whenever the definitive Certificates (or any temporary Certificates exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

Section 2.13. Special Covenants as to Book-Entry Only System for Certificates. (a) Except as otherwise provided in subsections (b) and (c) of this Section 2.13, all of the Certificates initially executed and delivered shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest evidenced and represented by any Certificate registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Certificates to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Certificates initially shall be executed and delivered in the form of a single authenticated fully registered certificate for each stated payment date of such Certificates, representing the aggregate principal amount evidenced and represented by the Certificates payable on such payment date. Upon initial execution and delivery, the ownership of all such Certificates shall be registered in the registration records maintained by the Trustee pursuant to Section 2.08 hereof in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Local Agencies, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Certificates registered in its name or the name of its nominee for the purposes of payment of the principal or prepayment price and interest evidenced and represented by such Certificates, selecting the Certificates or portions thereof to be prepaid, giving any notice permitted or required to be given to Owners hereunder, registering the transfer of Certificates, obtaining any consent or other action to be taken by Owners of the Certificates and for all other purposes whatsoever; and neither the Trustee or the Authority or any paying agent shall be affected by any notice to the contrary. Neither the Trustee, the Local Agencies nor the Authority or any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section 2.13, securities brokers and dealers, banks, trust companies, clearing

corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Certificates under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Owner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal, prepayment price or interest evidenced and represented by the Certificates, (iii) any notice which is permitted or required to be given to Owners of Certificates hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial prepayment of the Certificates, or (v) any consent given or other action taken by DTC as Owner of Certificates. The Trustee shall pay all principal, premium, if any, and interest evidenced and represented by the Certificates only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the obligations with respect to the principal, premium, if any, and interest evidenced and represented by the Certificates to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Certificates will be transferable to such new nominee in accordance with subsection (f) of this Section 2.13.

(c) In the event that the Authority determines that it is in the best interests of the Local Agencies or the beneficial owners of the Certificates that they be able to obtain certificates, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of such certificates. In such event, the Certificates will be transferable in accordance with subsection (f) of this Section 2.13. DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving written notice of such discontinuance to the Authority, the Local Agencies and the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Certificates will be transferable in accordance with subsection (f) of this Section 2.13. Whenever DTC requests the Authority, the Local Agencies and the Trustee to do so, the Trustee, the Local Agencies and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Certificates then Outstanding. In such event, the Certificates will be transferable to such securities depository in accordance with subsection (f) of this Section 2.13, and thereafter, all references in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Certificates Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal, premium, if any, and interest evidenced and represented by such Certificate and all notices with respect to each such Certificate shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The Trustee is hereby authorized and requested to execute and deliver the Representation Letter and, in connection with any successor nominee for DTC or any successor depository, enter into comparable arrangements, and shall have the same rights and immunities with respect to its actions thereunder as it has with respect to its actions under this Trust Agreement.

(f) In the event that any transfer or exchange of Certificates is authorized under subsection (b) or (c) of this Section 2.13, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered Owner thereof of the Certificates to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.06 and 2.07 hereof. In the event Certificates are delivered to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the Certificates, another securities depository as Owner of all the Certificates, or the nominee of such successor securities depository, the provisions of Sections 2.06 and 2.07 hereof shall also apply to, among other things, the registration, exchange and transfer of the Certificates and the method of payment of principal, premium, if any, and interest evidenced and represented by the Certificates.

ARTICLE III

REVENUES

Section 3.01. Pledge of Revenues; Assignment. All Revenues and any other amounts (including proceeds of the sale of the Certificates) held by the Trustee in any fund or account established hereunder (other than amounts on deposit in the Acquisition Fund created pursuant to Section 2.11 and the Rebate Fund created pursuant to Section 4.04) are hereby irrevocably pledged to the payment of the principal, interest and premium, if any, evidenced and represented by the Certificates as provided herein, and the Revenues shall not be used for any other purpose while any of the Certificates remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted hereunder. This pledge shall constitute a first pledge of and charge and lien upon the Revenues and all other moneys on deposit in the funds and accounts established hereunder (other than amounts on deposit in the Acquisition Fund created pursuant to Section 2.11 and the Rebate Fund created pursuant to Section 4.04) for the payment of the interest and principal evidenced and represented by the Certificates in accordance with the terms hereof and thereof.

The Authority hereby assigns to the Trustee all of the Authority's rights and remedies under the Agreements, including, but not limited to, the Authority's security interest in and lien upon the Revenues.

Section 3.02. Receipt and Deposit of Revenues in the Revenue Fund. In order to carry out and effectuate the pledge, charge and lien contained herein, the Authority agrees and covenants that all Revenues when and as received shall be received by the Authority in trust hereunder for the benefit of the Owners and shall be deposited when and as received by the Authority in the Revenue Fund which fund is hereby created and which fund the Authority hereby agrees and covenants to maintain with the Trustee so long as any Certificates shall be Outstanding under the Trust Agreement. All Revenues shall be accounted for separately for each Local Agency and held in trust in the Revenue Fund. All Revenues, whether received by the Authority in trust or deposited with the Trustee as herein provided, shall nevertheless be allocated, applied and disbursed solely for the purposes and uses hereinafter in this Article set forth, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the Authority, and the Authority shall have no beneficial right or interest in any of the Revenues except only as herein provided.

Section 3.03. Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund. Subject to Section 4.04, all money in the Revenue Fund shall be set aside by the Trustee in the following respective special funds and accounts within the Revenue Fund in the following order of priority:

- (1) Interest Fund, and within the Interest Fund, an Interest Payment Account for each Local Agency;
- (2) Principal Fund, and within the Principal Fund, a Principal Payment Account for each Local Agency;

- (3) Reserve Fund, and within the Reserve Fund, a Reserve Subaccount for each Local Agency;
- (4) Administration Fund, and within the Administration Fund, an Administration Subaccount for each Local Agency; and
- (5) Surplus Account.

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this section. Notwithstanding the foregoing, the Trustee need not create separate accounts within the Interest Fund, the Principal Fund, the Reserve Fund and the Administration Fund, but shall keep sufficient records to account separately for the deposits attributable to each Local Agency.

(1) Interest Fund. On or before the Business Day immediately preceding each Interest Payment Date, the Trustee shall set aside from amounts deposited by each Local Agency in the Revenue Fund and deposit in each Local Agency Interest Payment Account that amount of money which is equal to the amount of interest becoming due and payable with respect to such Local Agency's Agreement on the next succeeding Interest Payment Date. No such deposit need be made if the amount contained in a Local Agency Interest Payment Account is at least equal to the aggregate amount of interest becoming due and payable in connection with such Local Agency's Agreement on such Interest Payment Date. All money in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest evidenced and represented by the Certificates as it shall become due and payable (including accrued interest evidenced and represented by any Certificates purchased or prepaid prior to the payment dates thereof).

(2) Principal Fund. On or before the Business Day immediately preceding each Certificate Payment Date the Trustee shall set aside from amounts deposited by each Local Agency in the Revenue Fund and deposit in each Local Agency Principal Payment Account an amount of money equal to the amount of principal becoming due and payable with respect to such Local Agency's Agreement on the next succeeding Certificate Payment Date. No such deposit need be made if the amount contained in a Local Agency Principal Payment Account is at least equal to the aggregate amount of principal becoming due and payable in connection with such Local Agency's Agreement on such Certificate Payment Date. All money in the Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal evidenced and represented by the Certificates as it shall become due and payable, whether on their respective Certificate Payment Dates or prepayment, except that any money in any sinking fund account shall be used and withdrawn by the Trustee only to purchase or to prepay or to pay Term Certificates for which such sinking fund account was created.

(3) Reserve Fund. The Trustee shall set aside from amounts deposited by each Local Agency in the Revenue Fund and deposit in each Local Agency's Reserve Subaccount that amount of money (or other authorized deposit of security) which shall be required to maintain the Reserve Subaccount in the full amount of the Reserve Fund Requirement. No deposit need be made in any Reserve Subaccount so long as there shall be on deposit therein a sum equal to the related Local Agency Reserve Fund Requirement. All money in each Reserve Subaccount

(including all amounts which may be obtained from any insurance policy on deposit in the Reserve Subaccount) shall be used and withdrawn by the Trustee solely for the purpose of replenishing the related Local Agency Interest Payment Account or the related Local Agency Principal Payment Account, in that order, in the event of any deficiency at any time in either of such Accounts, but solely for the purpose of paying the interest, principal or prepayment premiums, if any, payable in connection with the related Local Agency Agreement, except that any cash amounts in the Reserve Subaccounts in excess of the amount required to be on deposit therein shall be withdrawn from the Reserve Subaccounts on each Interest Payment Date and deposited in the related Local Agency Interest Payment Account.

In lieu of making a Local Agency Reserve Fund Requirement deposit or in replacement of moneys then on deposit in any Reserve Subaccount (which shall be transferred by the Trustee to the Local Agency upon delivery of an insurance policy satisfying the requirements stated below), a Local Agency may also deliver to the Trustee an insurance policy (a "Qualified Reserve Instrument") securing an amount, together with moneys or Permitted Investments on deposit in the Reserve Subaccount, no less than the Local Agency Reserve Fund Requirement, issued by an insurance company licensed to issue insurance policies guaranteeing the timely payment of the principal and interest components of the related Local Agency Agreement and whose unsecured debt obligations (or for which obligations secured by such insurance company's insurance policies) are rated in the two highest rating categories (without respect to any modifier) of the Rating Agency. Notwithstanding anything to the contrary set forth in the Trust Agreement, amounts on deposit in the Reserve Fund shall be applied solely to the payment of debt service due on the Certificates.

If and to the extent that a Reserve Subaccount has been funded with a combination of cash (or Permitted Investments) and a Qualified Reserve Instrument, then all such cash (or Permitted Investments) shall be completely used before any demand is made on such Qualified Reserve Instrument, and replenishment of the Qualified Reserve Instrument shall be made prior to any replenishment of any cash (or Permitted Investments). If a Reserve Subaccount is funded, in whole or in part, with more than one Qualified Reserve Instrument, then any draws made against such Qualified Reserve Instrument shall be made pro-rata.

(4) Administration Fund. On or before the Business Day immediately preceding each Certificate Payment Date, the Trustee shall set aside from amounts deposited by each Local Agency in the Revenue Fund and deposit in each Local Agency's Administration Subaccount an amount equal to such Local Agency's Administration Fee. All money in each Administration Subaccount shall be used and withdrawn by the Trustee solely for the purpose of paying the fees of the Authority, the Trustee and the Rebate Analyst, payable with respect to the related Local Agency Agreement, except that any cash amounts in the Administration Subaccounts in excess of the amount required to be on deposit therein shall be withdrawn from the Administration Subaccounts on each Interest Payment Date and deposited in the related Local Agency Interest Payment Account.

(5) Surplus Account. On the Business Day immediately following each Interest Payment Date the Trustee shall deposit in the Surplus Account all money remaining in the Revenue Fund after the deposits required by Section 4.04 and by paragraphs (1), (2), (3) and (4) of this section have been made. On June 30 of each year, beginning on June 30, 20__, the

Trustee shall disburse the money in the Surplus Account to each Local Agency to the extent each such Local Agency's deposit of moneys, together with investment earnings thereon, if any, exceeded the deposits required by paragraphs (1), (2), (3) and (4) of this section.

Section 3.04. Deposit and Investments of Money in Accounts and Funds. Subject to Section 4.04, all money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested and reinvested in Permitted Investments at the Request of the Local Agency received not less than two (2) Business Days prior to the date of making such investment. The Trustee shall notify the Local Agency no less than two (2) Business Days prior to the date moneys held hereunder will be available for investment, requesting that the Local Agency deliver to the Trustee a Request of the Local Agency specifying the Permitted Investments to be acquired by the Trustee with such moneys. All money held in the Reserve Fund shall be invested and reinvested in Permitted Investments with a term to maturity not exceeding five years or on the final maturity date of the Certificates, whichever date is earlier; provided, however, that if an obligation may be prepaid at par on the business day prior to each Interest Payment Date during which such obligation is outstanding, such obligation may have any maturity. All such Permitted Investments shall be valued by the Trustee not less frequently than semi-annually on each Interest Payment Date at the lower of the cost or market value thereof. Subject to Section 4.04, all interest or profits received prior to the completion of each Project (as certified in writing by the related Local Agency representative) on any money so invested shall be deposited in the related Proceeds Subaccount of the Acquisition Fund, and all interest or profits received subsequent thereto on any money so invested shall be deposited in the related Local Agency Interest Payment Account. The Trustee may act as a principal or agent in making or disposing of any investment.

Notwithstanding the foregoing, in the event there is only one participating Local Agency identified in Schedule I, notifications from the Trustee of the availability of funds for investment shall be provided to the Local Agency and instructions for the investment of funds will be at the Request of the Local Agency.

ARTICLE IV

COVENANTS

Section 4.01. Compliance with Trust Agreement. The Trustee will not execute or deliver any Certificates in any manner other than in accordance with the provisions hereof; and the Local Agencies will not suffer or permit any default to occur hereunder, but will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by them.

Section 4.02. Amendment of Agreements. The Local Agencies and the Authority will not amend or permit the amendment of the Agreements without (a)(1) a determination that such amendment does not materially adversely affect the interest of the Owners or (2) the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, and (b) an Opinion of Counsel to the effect that such amendment will not cause interest payable with respect to the Agreements to be included in gross income for federal income tax purposes; *provided* that no such supplement, amendment, modification or termination shall reduce the amount of 2016 Installment Sale Payments to be made to the Authority or the Trustee by any Local Agency pursuant to an Agreement, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by such Agreement on Revenues (except as expressly provided in such Agreement), in each case without the written consent of all of the Owners of the Certificates then Outstanding.

Section 4.03. Against Encumbrances. The Authority will not make any pledge of or place any charge or lien upon the Revenues except as provided herein, and will not issue any bonds, notes or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues except the Certificates.

Section 4.04. Tax Covenants: Rebate Fund.

(a) In addition to the accounts created pursuant to Section 3.03, the Trustee shall establish and maintain a fund separate from any other fund or account established and maintained hereunder designated as the Rebate Fund. There shall be deposited in the Rebate Fund such amounts, including the Rebate Amount, as are required to be deposited therein pursuant to each of the Tax Certificates. 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 Requirement (as defined in each Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of Sections 3.01, 3.02, 3.04, 7.02 and 10.01 relating to the pledge of Revenues, the allocation of money in the Revenue Fund, the investments of money in any fund or account, the application of funds upon acceleration and the defeasance of Outstanding Certificates, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section 4.04 and by each Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority, and shall have no liability or responsibility to enforce compliance by the Authority and the Local Agencies with the terms of the Tax Certificates.

(b) Any funds remaining in the Rebate Fund after prepayment and payment with respect to all of the Certificates or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees to the Trustee and satisfaction of the Rebate Requirement (as defined in the Tax Certificates), shall be withdrawn by the Trustee and remitted to or upon the written direction of the Authority.

Section 4.05. Accounting Records and Reports. The Trustee shall keep proper books of record and account in accordance with industry standards in which complete and correct entries shall be made of all transactions made by the Trustee relating to the receipt, investment, disbursement, allocation and application of all funds received by the Trustee hereunder. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Trustee is to be allocated and shall set forth, in the case of each investment: (a) its purchase price; (b) identifying information, including par amount, coupon rate, and payment dates; (c) the amount received at maturity or its sale price, as the case may be; (d) the amounts and dates of any payments made with respect thereto; and (e) such documentation as is required to be obtained as evidence to establish that all investments have been purchased in arms' length transactions with no amounts paid to reduce the yield on the investments.

Such records shall be open to inspection by the Authority and any Local Agency at any reasonable time during regular business hours on reasonable notice.

Section 4.06. Observance of Laws and Regulations. The Local Agencies will faithfully observe and perform all lawful and valid obligations or regulations now or hereafter imposed on them by contract, or prescribed by any state or national law, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such observance or performance is material to the transactions contemplated hereby.

Section 4.07. Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Owner, the Local Agencies will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

Section 4.08. Recordation and Filing. The Local Agency will file, record, register, renew, refile and rerecord all such documents, including financing statements (or continuation statements in connection therewith), as may be required by law in order to maintain at all times a security interest in the Agreements under and pursuant to the Trust Agreement, all in such manner, at such times and in such places as may be required in order to fully perfect, preserve and protect the benefit, protection and security of the Owners, and the rights of the Trustee hereunder, and the Local Agencies will do whatever else may be necessary or be reasonably required in order to perfect and continue the pledge of and lien on the Agreements as provided herein.

Section 4.09. Acquisition of the Projects. Subject to and as provided in each Agreement, the Authority will cause to be acquired and constructed the Projects with all practicable dispatch and such acquisition will be made in an expeditious manner and in conformity with the law so as to complete the same as soon as possible.

ARTICLE V

THE TRUSTEE

Section 5.01. The Trustee. Wilmington Trust, N.A. shall serve as the Trustee for the Certificates for the purpose of receiving all money which the Authority and the Local Agencies are required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest, principal and prepayment premiums, if any, evidenced and represented by the Certificates presented for payment in Los Angeles, California, with the rights and obligations provided herein. The Authority agrees that it will at all times maintain a Trustee having a designated office in San Francisco or Los Angeles, California.

The Authority may at any time, unless there exists any event of default as defined in Section 7.01, remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided that any such successor shall (i) be a bank or trust company doing business and having a principal office in San Francisco or Los Angeles, California, (ii) have (or in the case of a bank or trust company which is part of a bank holding company system, the related bank holding company shall have) a combined capital (exclusive of borrowed capital) and surplus of at least seventy-five million dollars (\$75,000,000) and (iii) be subject to supervision or examination by federal or state authority. If such bank or trust company 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 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the Authority and by mailing to the Owners notice of such resignation. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to prepay the Certificates when duly presented for payment on their respective Certificate Payment Dates or on prior prepayment. The Trustee shall cancel all Certificates upon payment thereof or upon the surrender thereof by the Authority and shall destroy such Certificates it has received in accordance with its retention policy then in effect. The Trustee shall keep accurate records of all Certificates paid and discharged and canceled by it.

The Authority, solely from amounts held in the Costs of Issuance Fund or paid by the Local Agencies specifically for such purpose, shall from time to time, subject to any agreement between the Authority and the Trustee then in force, pay to the Trustee compensation

for its services, reimburse the Trustee for all its advances and expenditures including but not limited to advances to and fees and expenses of independent accountants and in-house and other counsel or other experts employed by it and reasonably required in the exercise and performance of its rights and obligations hereunder, and, to the extent permitted by law, indemnify and hold the Trustee and its officers, directors, employees and agents harmless against any claim, loss, liability, damages, expenses (including legal fees and expenses) or advances not arising from the Trustee's own active or passive negligence, willful misconduct or breach of fiduciary duty, which the Trustee may incur in the exercise and performance of its rights and obligations hereunder. The obligations of the Authority under this paragraph to compensate, indemnify, reimburse and hold the Trustee harmless shall constitute additional indebtedness hereunder, and such indebtedness shall have priority over the Certificates in respect of all property and funds held or collected by the Trustee as such, except funds held in trust by the Trustee for the benefit of the Owners of particular Certificates, including, without limitation, funds held by the Trustee in trust to prepay all or a portion of Outstanding Certificates prior to their respective Certificate Payment Dates for which a notice of prepayment has been sent as provided herein.

Section 5.02. Liability of Trustee. The recitals of facts, agreements and covenants herein and in the Certificates shall be taken as recitals of facts, agreements and covenants of the Authority, and the Trustee assumes no responsibility for the use of any proceeds of the Certificates, the correctness of the same, the collection of the Revenues or makes any representation as to the sufficiency or validity hereof, of the Certificates or any security therefor or any offering material distributed in connection with the Certificates and shall not incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Certificates or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, willful misconduct or breach of fiduciary duty.

The Trustee shall not be bound to recognize any person as the Owner of a Certificate unless and until such Certificate is submitted for inspection, if required, and such Certificate is registered in such person's name.

Whenever the Trustee shall deem it necessary or desirable that a factual or legal matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate conforming to the requirements herein or an opinion of counsel, which certificate or opinion shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners, the Authority and the Local Agencies, having any claim against the Trustee arising from this Trust Agreement not attributable to the Trustee's negligence or willful misconduct shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein. The duties and obligations of the Trustee shall be determined solely by the express provisions of this Trust Agreement, the Trustee shall not be liable except for the performance of

such duties and obligations as are specifically set forth in this Trust Agreement, and no implied covenants or obligations (fiduciary or otherwise) shall be read into this Trust Agreement against the Trustee. The Trustee shall not be liable with respect to any action taken or not taken hereunder in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Certificates at the time Outstanding. The Trustee shall, during the existence of any event of default (which has not been cured), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise of use under the circumstances in the conduct of its own affairs. The permissive right of the Trustee to do things enumerated in this Trust Agreement 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 and such immunities and exceptions and its right to payment of its fees and expenses shall survive its resignation or removal and the final payment and defeasance of the Certificates. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates. The Trustee, in its individual or any other capacity, may become the Owner of any Certificates or other obligations of any party hereto with the same rights which it would have if not the Trustee. At any and all reasonable times, the Trustee, and its agents shall have the right to fully inspect the Projects, including all books, papers and records of the Local Agencies pertaining to the Projects and the Certificates, and to take such memoranda therefrom and with regard thereto and make photocopies thereof as may be desired. The Trustee shall not be required to give any bond or surety in respect of the execution of said trusts and powers or otherwise in respect of the premises. Before taking or refraining from any action hereunder at the request or direction of the Owners, the Trustee may require that an indemnity bond satisfactory to the Trustee be furnished to it and be in full force and effect.

None of the provisions contained herein or in the Agreements shall require the Trustee to expend or risk its own funds or continue to do so or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if it shall reasonably believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it. The Trustee may rely and shall be protected in acting or failing to act upon any paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the Local Agencies to make any payment of principal or interest under the Agreements when due, unless the Trustee shall be specifically notified in writing at its corporate trust office of such default by the Owners of not less than 25% of the aggregate principal amount of Certificates then Outstanding. Notwithstanding any other provision hereof, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or official action or evidence thereof, required as a condition of such action deemed by the Trustee to be desirable for the purpose of establishing the rights of the Trustee with respect to the authentication of any Certificates, the withdrawal of any cash, the release of any property or the taking of any other action by the Trustee.

ARTICLE VI

AMENDMENT OF THE TRUST AGREEMENT

Section 6.01. Amendment of the Trust Agreement. The Trust Agreement and the rights and obligations of the Authority, the Local Agencies, the Trustee and the Owners may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consents of the Owners of a majority in aggregate principal amount evidenced and represented by the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 6.02, are filed with the Trustee. No such amendment shall (1) extend the Certificate Payment Date of or reduce the interest rate on or amount of interest or principal or prepayment premium, if any, evidenced and represented by any Certificate without the express written consent of the Owner of such Certificate, or (2) permit the creation by the Authority of any pledge of or charge or lien upon the Revenues as provided herein superior to or on a parity with the pledge, charge and lien created hereby for the benefit of the Certificates, or (3) reduce the percentage of Certificates required for the written consent to any such amendment or any amendment of an Agreement pursuant to Section 4.02 hereof, or (4) modify any rights or obligations of the Trustee, the Authority or the Local Agencies without their prior written assent thereto, respectively.

The Trust Agreement and the rights and obligations of the Authority, the Local Agencies and of the Owners may also be amended at any time by a Supplemental Trust Agreement which shall become binding upon adoption without the consent of any Owners, but only to the extent permitted by law and after receipt of an approving Opinion of Counsel, for any purpose that will not in the judgment of the Trustee materially adversely affect the interests of the Owners, including (without limitation) for any one or more of the following purposes -

(a) to add to the agreements and covenants required herein to be performed by the Authority other agreements and covenants thereafter to be performed by the Authority or the Local Agencies, or to surrender any right or power reserved herein to or conferred herein on the Authority or the Local Agencies;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority or the Local Agencies may deem desirable or necessary and not inconsistent herewith;

(c) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify the Trust Agreement under the Trust Indenture Act of 1939; or

(d) for any other purpose that does not materially adversely affect the interests of the Owners.

Section 6.02. Disqualified Certificates. Certificates owned or held by or for the account of the Authority or the Local Agencies shall not be deemed Outstanding for the purpose

of any consent or other action or any calculation of Outstanding Certificates provided in this article, and shall not be entitled to consent to or take any other action provided in this article.

Section 6.03. Endorsement or Replacement of Certificates After Amendment.

After the effective date of any action taken as hereinabove provided, the Authority may determine that the Certificates may 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 Outstanding Certificates and presentation of his Certificate for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Certificate. If the Authority shall so determine, new Certificates so modified as, in the opinion of the Authority, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Certificate a new Certificate or Certificates shall be exchanged at the office of the Trustee without cost to each Owner for its Certificate or Certificates then Outstanding upon surrender of such Outstanding Certificates.

Section 6.04. Amendment by Mutual Consent. The provisions of this article shall not prevent any Owner from accepting any amendment as to the particular Certificates held by him, provided that due notation thereof is made on such Certificates.

Section 6.05. Information to Rating Agency. The Authority shall provide any Rating Agency rating the Certificates a copy of each amendment to the Trust Agreement or to the Agreement promptly following the execution or adoption of such amendment.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 7.01. Events of Default. If any default in the payment of 2016 Installment Sale Payments or any other “Event of Default” defined in an Agreement shall occur and be continuing, or if any default shall be made by the Local Agency in the performance or observance of any other of the covenants, agreements or conditions on its part herein contained and such default shall have continued for a period of thirty (30) days after written notice thereof shall have been given to the Local Agency by the Trustee or the Owners of not less than a majority in aggregate principal amount evidenced and represented by the Certificates at the time Outstanding, then such default shall constitute an “Event of Default” hereunder, and in each and every such case during the continuance of such Event of Default the Trustee or the Owners of not less than a majority in aggregate principal amount evidenced and represented by the Certificates at the time Outstanding shall be entitled, upon notice in writing to the Local Agency, but subject to the provisions of Section 7.06, to exercise the remedies provided under the Agreement then in default which are necessary or desirable to collect such Local Agency’s 2016 Installment Sale Payments. No grace period shall be permitted for payment defaults.

The Owners of Certificates, for purposes of the Trust Agreement and the Agreement of each Local Agency, to the extent of their interest, shall be entitled to all rights and security of the Authority pursuant to each Agreement and the Trust Agreement. Each Local Agency recognizes the rights of the Owners of the Certificates, acting directly or through the Trustee, to enforce the obligations and covenants contained in the Agreements and the Trust Agreement; *provided* that in no event shall an Local Agency be liable for any obligations, covenants or damages except those which arise out of the Agreements, and, in particular, no Local Agency shall be liable for any obligations, liabilities, acts or omissions of any other Local Agency.

Section 7.02. Application of Funds Upon Acceleration of Agreement. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VIII shall be deposited into a segregated payment account of the Revenue Fund relating to each, if any, defaulting Local Agency’s Agreement and be applied by the Trustee in the following order; *provided* that the Trustee shall obtain and follow the instructions contained in an Opinion of Counsel and rebate or set aside for rebate from the specified funds held hereunder, any amount pursuant to such instructions required to be paid to the United States of America under the Code:

First, to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of this article, including reasonable compensation to its agents, accountants and counsel and including any indemnification expenses; and

Second, to the payment of the principal and interest payable with respect to the Certificates, in connection with a mandatory prepayment of Certificates pursuant to Section 2.03(b) hereof and the delivery of a Cash Flow Report.

Section 7.03. Other Remedies of the Trustee. 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 hereunder against any Local Agency or any supervisor, council member, board member, trustee, member, officer or employee thereof, and to compel such Local Agency or any such supervisor, council member, board member, trustee, member, officer or employee thereof to observe or perform its or his or her duties under applicable law and the agreements, conditions, covenants and terms contained herein, or in the applicable Agreement, required to be observed or performed by it or him or her;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee or the Owners; or

(c) by suit in equity upon the happening of any default hereunder to require any Local Agency and any supervisor, council member, board member, trustee, member, officer and employee to account as the trustee of any express trust.

Section 7.04. Non-Waiver. A waiver by the Trustee of any default hereunder or breach of any obligation hereunder shall not affect any subsequent default hereunder or any subsequent breach of an obligation hereunder or impair any rights or remedies on any such subsequent default hereunder or on any such subsequent breach of an obligation hereunder. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default hereunder shall impair any such right or remedy or shall be construed to be a waiver of any such default hereunder or an acquiescence therein, and every right or remedy conferred upon the Trustee by applicable law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee or the Local Agencies, the Trustee and the Local Agencies shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 7.05. Actions by Trustee as Attorney-in-Fact. Any action, proceeding or suit which any Owner 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, whether or not the Trustee is a Owner, and the Trustee is hereby appointed (and the successive Owners, by taking and holding the Certificates executed and delivered hereunder, shall be conclusively deemed to have so appointed it) the true and lawful attorney-in-fact of the Owners for the purpose of bringing any such action, proceeding or suit and for the purpose of doing and performing any and all acts and things for and on behalf of the Owners as a class or classes as may be advisable or necessary in the opinion of the Trustee as such attorney-in-fact.

Section 7.06. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law. If any remedial

action hereunder is discontinued or abandoned, the Trustee and the Owners shall be restored to their former positions.

Section 7.07. Limitation on Owners' Right to Sue. No Owner of any Certificate executed and delivered hereunder shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 7.01 hereunder; (b) the Owners of at least a majority in aggregate principal amount of all the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable security or indemnity 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 sixty (60) days after such request and consent shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, consent, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any owner of Certificates of any remedy hereunder; it being understood and intended that no one or more owners of Certificates shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of the Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Certificates.

Section 7.08. Limited Liability of the Local Agencies. Except as expressly provided in the Agreements, the Local Agencies shall not have any obligation or liability to the Authority, the Trustee or the Owners, with respect to the Trust Agreement or the preparation, execution, delivery, transfer, exchange or cancellation of the Certificates or the receipt, deposit or disbursement of the principal and interest payable with respect to the Agreements by the Trustee, or with respect to the performance by the Trustee of any obligation contained herein required to be performed by it.

Notwithstanding anything to the contrary herein or in any Agreement, no Local Agency shall incur any obligation on account of any default, action or omission of any other Local Agency.

Section 7.09. Limited Liability of the Authority. Except as expressly provided herein, the Authority shall not have any obligation or liability to the Trustee or the Owners, with respect to the payment when due of the 2016 Installment Sale Payments by the Local Agencies, or with respect to the observance or performance by the Local Agencies of the other agreements, conditions, covenants and terms contained in the Agreements, or with respect to the performance by the Trustee of any obligation contained herein required to be performed by it. Notwithstanding anything to the contrary contained in the Certificates, the Trust Agreement or any other document related thereto, the Authority shall not have any liability hereunder or by reason hereof or in connection with any of the transactions contemplated hereby except to the

extent payable from moneys received from or with respect to the Agreements and available thereof in accordance with the Trust Agreement.

ARTICLE VIII

DEFEASANCE

Section 8.01. Discharge of Certificates. (a) If the Local Agencies shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Certificates the interest, principal and prepayment premiums, if any, evidenced and represented thereby at the times and in the manner stipulated herein and therein, then the Owners of such Certificates shall cease to be entitled to the pledge of and charge and lien upon the Revenues as provided herein, and all agreements, covenants and other obligations of the Authority and the Local Agencies to the Owners of such Certificates hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto which are not required for the payment of the interest and principal and prepayment premiums, if any, evidenced and represented by such Certificates.

(b) Any Outstanding Certificates shall prior to the maturity date or prepayment date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if (1) in case any of such Certificates are to be prepaid on any date prior to their respective Certificate Payment Dates, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 2.03, (2) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient or (B) Defeasance Obligations, in each case the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due with respect to such Certificates on and prior to the Certificate Payment Date or prepayment date thereof, as the case may be, and the principal and prepayment premiums, if any, evidenced and represented by such Certificates, and (2) in the event such Certificates are not by their terms subject to prepayment within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owners of such Certificates that the deposit required by clause (2) above has been made with the Trustee and that such Certificates are deemed to have been paid in accordance with this section and stating the Certificate Payment Date or prepayment date upon which money is to be available for the payment of the principal and prepayment premiums, if any, with respect to such Certificates. In addition, the Authority shall cause to be delivered (i) a report of an Independent Certified Public Account or such other accountant as shall be acceptable to the Insurer verifying the sufficiency of the escrow established to pay the Certificates in full on the maturity or prepayment date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Certificates are no longer "Outstanding" under the Trust Agreement, and (iv) a certificate of discharge of the Trustee with respect to the Certificates; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Authority and the Trustee. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

Certificates shall be deemed “Outstanding” under the Trust Agreement unless and until they are in fact paid and retired or the above criteria are met.

Section 8.02. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Certificates which remains unclaimed for two (2) years after the date when such Certificates have become due and payable, either at their stated Certificate Payment Dates or by call for prepayment prior to such dates, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Certificates have become due and payable, shall be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall not look to the Trustee for the payment of such Certificates. Any moneys held by the Trustee in trust for the payment and discharge of any Certificates shall not bear interest or be otherwise invested from and after such Certificate Payment Date or prepayment date.

ARTICLE IX

PROVISIONS RELATED TO THE INSURER AND THE INSURANCE POLICY

Section 9.01. General Provisions.

(a) The prior written consent of the Insurer shall be a condition precedent to the deposit of any Qualified Reserve Instrument provided in lieu of a cash deposit into the Reserve Fund. Notwithstanding anything to the contrary set forth in this Trust Agreement, amounts on deposit in the Reserve Fund shall be applied solely to the payment of debt service due on the Certificates.

(b) The Insurer shall be deemed to be the sole Owner of the insured Certificates for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Certificates insured by it are entitled to take pursuant to this Trust Agreement pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee.

(c) The Certificates shall not be accelerated without the consent of the Insurer and in the event the Certificates are accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date, the Insurer's obligations under the Insurance Policy with respect to the Certificates shall be fully discharged.

(d) The Insurer is a third party beneficiary of this Trust Agreement.

(e) Upon the occurrence of an optional or mandatory prepayment in part pursuant to Section 2.03(a) or 2.03(b) hereof, the selection of Certificates to be prepaid shall be subject to the approval of the Insurer. The exercise of any provision of this Trust Agreement which permits the purchase of Certificates in lieu of prepayment shall require the prior written approval of the Insurer if any Certificate so purchased is not cancelled upon purchase.

(f) Any amendment, supplement, modification to, or waiver of, this Trust Agreement or any other transaction document, including the Agreement and any underlying security agreement (each a "Related Document"), that requires the consent of Owners or adversely affects the rights and interests of the Insurer is subject to the prior written consent of the Insurer.

(g) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Acquisition Fund shall not be disbursed, but shall instead be applied to the payment of debt service or prepayment price of the Certificates.

(h) The rights granted to the Insurer under this Trust Agreement or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Owners or any other person is required in addition to the consent of the Insurer.

(i) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of this Trust Agreement and the Certificates relating to such payments shall remain Outstanding and continue to be due and owing until paid in accordance with the Trust Agreement. The Trust Agreement shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(j) Each of the Authority and Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Revenues hereunder.

(k) The Insurer shall be provided with the following information by the Authority, the Local Agency or the Trustee, as the case may be:

(1) Annual audited financial statements within 150 days after the end of the Local Agency's fiscal year (together with a certification of the Local Agency that it is not aware of any default or Event of Default under the Installment Sale Agreement), and the Local Agency's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(2) Notice of any draw upon the Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Fund Requirement and (ii) withdrawals in connection with a prepayment of Certificates;

(3) Notice of any default known to the Trustee or Authority within five Business Days after knowledge thereof;

(4) Prior notice of the advance refunding or prepayment of any of the Certificates, including the principal amount, maturities and CUSIP numbers thereof;

(5) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(6) Notice of the commencement of any proceeding by or against the Authority or the Local Agency commenced under the United States Bankruptcy

Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(7) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Certificates;

(8) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(9) All reports, notices and correspondence to be delivered to Owners under the terms of the Related Documents.

In addition, to the extent that the Authority or the Local Agency has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Certificates, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

(l) The Insurer shall have the right to receive such additional information as it may reasonably request.

(m) The Local Agency will permit the Insurer to discuss the affairs, finances and accounts of the Local Agency or any information the Insurer may reasonably request regarding the security for the Certificates with appropriate officers of the Local Agency and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Local Agency on any business day upon reasonable prior notice.

(n) The Trustee shall notify the Insurer of any failure of the Local Agency to provide notices, certificates and other information under the transaction documents.

(o) Notwithstanding satisfaction of the other conditions to the issuance of Additional Certificates set forth in the Trust Agreement, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Reserve Fund is fully funded at the Reserve Fund Requirement (including the proposed issue) upon the issuance of such Additional Certificates, in either case unless otherwise permitted by the Insurer.

(p) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Trust Agreement would adversely affect the security for the Certificates or the rights of the Owners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(q) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Certificates may be impaired or

prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(r) Any interest rate exchange agreement (“Swap Agreement”) entered into by the Local Agency shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Certificates and on any debt on parity with the Certificates. The Local Agency shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Insurer prior to the payment of any such termination amount that such payment will not cause the Local Agency to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least “A-” and “A3” by Standard & Poor’s (“S&P”) and Moody’s Investors Service (“Moody’s”). If the counterparty or guarantor’s rating falls below “A-” or “A3” by either S&P or Moody’s, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Insurer. If the counterparty or the guarantor’s long term unsecured rating falls below “Baa1” or “BBB+” by either Moody’s or S&P, a replacement counterparty or guarantor, acceptable to the Insurer, shall be required.

Section 9.02. Claims Upon the Insurance Policy and Payments by and to the Insurer.

(a) If, on the third Business Day prior to the related scheduled Interest Payment Date or Principal Payment Date (each, a “Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Trust Agreement, moneys sufficient to pay the principal of and interest on the Certificates due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the “Insurer’s Fiscal Agent”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Certificates due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Certificates and the amount required to pay principal of the Certificates, confirmed in writing to the Insurer and the Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal on Certificates paid by the Insurer, whether by virtue of mandatory sinking fund prepayment, maturity or

other advancement of maturity, on its books as a reduction in the principal amount of Certificates registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Certificate to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Certificate shall have no effect on the amount of principal or interest payable on any Certificate or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Certificate. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Owners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners in the same manner as principal and interest payments are to be made with respect to the Certificates under the sections hereof regarding payment of Certificates. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, subject to Section 7.09 hereof, the Authority agrees to pay to the Insurer, solely from Revenues, (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Certificates and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. Subject to Section 7.09 hereof, the Authority hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Revenues and payable from the Revenues on a parity with debt service due on the Certificates.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any

funds remaining in the Policy Payments Account following a Certificate payment date shall promptly be remitted to the Insurer.

(b) The Insurer shall, to the extent it makes any payment of principal or interest on the Certificates, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy. Each obligation of the Authority and the Local Agency to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(c) The Local Agency shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Trust Agreement or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Trust Agreement or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Trust Agreement or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Trust Agreement or any other Related Document.

(d) The Insurer shall be entitled to pay principal or interest on the Certificates that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy) and any amounts due on the Certificates as a result of acceleration of the maturity thereof in accordance with the Trust Agreement, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(e) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. __, Telephone: (212) 826-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

ARTICLE X

MISCELLANEOUS

Section 10.01. Liability of Authority Limited to Revenues. The Certificates are limited obligations of the Authority and are payable, as to interest, principal and any premiums upon the prepayment of any thereof, solely from the Revenues as provided herein, and the Authority is not obligated to pay them except from the Revenues. All the Certificates are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest, principal and prepayment premiums, if any, with respect to the Certificates as provided herein. The Certificates are not a debt of the Authority, the Local Agencies, the State of California or any of its political subdivisions, and neither the Authority, the Local Agencies, said State nor any of its political subdivisions is liable thereon, nor in any event shall the Certificates be payable out of any funds or properties other than those of the Authority as provided herein. The Certificates do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

Section 10.02. Benefits of the Trust Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Local Agencies, the Authority, the Trustee and the Owners any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the Local Agencies or the Authority shall be for the sole and exclusive benefit of the Trustee, the Authority and the Owners.

Section 10.03. Successor Is Deemed Included In All References To Predecessor. Whenever either the Local Agencies, the Authority, or the Trustee or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Local Agencies, the Authority or the Trustee or such officer, and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Local Agencies, the Authority or the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.04. Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Certificates and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Certificates at the office of the Trustee.

Any declaration, request or other instrument or writing of the Owner of any Certificate shall bind all future Owners of such Certificate with respect to anything done or suffered to be done by the Local Agencies, the Authority or the Trustee in good faith and in accordance therewith.

Section 10.05. Waiver of Personal Liability; No Liability of Authority Members.

No member, officer or employee of the Authority or any Local Agencies shall be individually or personally liable for the payment of the interest, principal or prepayment premiums, if any, with respect to the Certificates by reason of their execution and delivery, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by any applicable provisions of law, the Agreements or hereby.

Notwithstanding anything to the contrary herein or in any other document, no entity that is a program participant of the Authority, its supervisors, councilmembers, trustees, officers, directors, employees, and agents, shall have any liability of any kind hereunder or by reason of or in connection with any of the transactions contemplated hereby, other than with respect to a program participant of the Authority in its capacity as a Local Agency hereunder.

Section 10.06. Acquisition of Certificates by Authority. All Certificates acquired by the Authority, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

Section 10.07. Destruction of Canceled Certificates. Whenever provision is made herein for the cancellation of any Certificates, the Trustee shall destroy such Certificates in accordance with its retention policy then in effect.

Section 10.08. Content of Certificates; Post-Issuance Legal Opinions. Every Certificate of the Authority or any Local Agency with respect to compliance with any agreement, condition, covenant or term contained herein shall include: (a) a statement that the person or persons executing such certificate have read such agreement, condition, covenant or term and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not the Local Agency or the Authority has complied with such agreement, condition, covenant or term; and (d) a statement as to whether, in the opinion of the signers, the Local Agency or the Authority has complied with such agreement, condition, covenant or term.

Any Certificate of the Authority or any Local Agency may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person or persons executing such certificate know that the Opinion of Counsel with respect to the matters upon which his or their certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters and information with respect to which is in the possession of the Local Agency or the Authority, upon a representation by an officer or officers of the Local Agency or the Authority unless the counsel executing such Opinion of Counsel knows that the

representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 10.09. Publication for Successive Weeks. Any publication required to be made hereunder for successive weeks in a Financial Newspaper may be made in each instance upon any Business Day of the first week and need not be made on the same Business Day of any succeeding week or in the same Financial Newspaper for any subsequent publication, but may be made on different Business Days or in different Financial Newspapers, as the case may be.

Section 10.10. Accounts and Funds; Business Days. Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with the Tax Certificates and sound accounting practice and with due regard for the protection of the security of the Certificates and the rights of the Owners. Any action required to occur hereunder on a day which is not a Business Day shall be required to occur on the next succeeding Business Day.

Section 10.11. Article and Section Headings and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to the Trust Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.12. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Local Agencies, the Authority or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Certificates, and the Owners shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The Local Agencies, the Authority and the Trustee hereby declare that they would have executed and delivered the Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Certificates pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.13. Execution in Several Counterparts. This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Local Agencies, the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 10.14. Notices. Except as otherwise provided herein, for the purposes hereof, any notice, consent, request, requisition, direction, certificate or demand or other communication may be served or presented, and such notice or demand may be made and shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class postage prepaid, in a post office letter box, addressed, as the case may be, to the parties as follows:

If to the Authority:	California Statewide Communities Development Authority 2033 North Main Street, Suite 700 Walnut Creek, California 94596 Attention: Secretary
If to the Trustee:	Wilmington Trust, N.A. 707 Wilshire Boulevard, 17th Floor Los Angeles, California 90017 Attention: Corporate Trust Department
If to the Local Agencies:	To the individual addressees as set forth in Exhibit A to the Purchase Agreement
If to the Purchaser:	Stifel, Nicolaus & Company, Incorporated 515 South Figueroa Street, Suite 1800 Los Angeles, California 90071 Attention: John Kim

Any such communication may also be sent by telecopy at the telecopy numbers given above. Any party may change its address by notice to each other party.

IN WITNESS WHEREOF, the Authority and the Local Agencies named in Schedule I hereto have caused this Trust Agreement to be signed in their respective names by such person as has been designated by their respective governing boards, and the Trustee, to evidence its acceptance of the trust hereby created, has caused the Trust Agreement to be signed in the name of the Trustee by an authorized officer of the Trustee, all as of the day and year first above written.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By: _____
Authorized Signatory

WILMINGTON TRUST, N.A., as Trustee

By: _____
Authorized Signatory

[LOCAL AGENCY]

By: _____
Mayor

ATTEST

City Clerk

EXHIBIT A
FORM OF CERTIFICATE

No. _____ \$ _____

CALIFORNIA COMMUNITIES
LOCAL MEASURE R SALES TAX REVENUE (INSTALLMENT SALE)
CERTIFICATE OF PARTICIPATION, SERIES 2016
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)

Interest Rate	Certificate Payment Date	Dated as of	CUSIP No.
%	June 1, _____	_____, 2016	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

THIS IS TO CERTIFY that the registered owner named above, as the registered owner of this California Communities Local Measure R Sales Tax Revenue (Installment Sale) Certificate of Participation, Series 2016 (T.R.I.P. – Total Road Improvement Program) (the “Certificates”), is the owner of a proportionate undivided interest in the rights to receive certain 2016 Installment Sale Payments (as that term is defined in the Trust Agreement hereinafter mentioned) under and pursuant to certain Installment Sale Agreements (the “Agreements”) by and between various Local Agencies named therein (the “Local Agencies”), each a duly organized and existing political subdivision of the State of California, and the California Statewide Communities Development Authority (the “Authority”), a joint powers authority duly organized and existing under and by virtue of the laws of the State of California, all of which rights to receive such 2016 Installment Sale Payments having been assigned without recourse by the Authority to Wilmington Trust, N.A., as trustee (the “Trustee”), a trust company duly organized and existing under and by virtue of the laws of the United States and having a corporate trust office in Los Angeles, California.

The registered owner of this Certificate is entitled to receive, subject to the terms of the Agreements on the certificate payment date set forth above (the “Certificate Payment Date”), upon surrender of this Certificate on the Certificate Payment Date at the corporate trust office of the Trustee, the principal sum specified above representing the registered owner’s fractional undivided share of the 2016 Installment Sale Payments designated as principal components coming due on the Certificate Payment Date, and on each June 1 and December 1, commencing June 1, 20__ (each an “Interest Payment Date”). The Certificates shall evidence and represent interest from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is an Interest Payment Date, in which event they shall evidence and represent interest from such date, or unless such date of registration is prior to the

first Interest Payment Date, in which event they shall evidence and represent interest from _____, 201_; provided, however, that if at the time of registration of any Certificate interest is then in default on the Outstanding Certificates, such Certificate shall evidence and represent interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Certificates. Payment of interest evidenced and represented by the Certificates due on or before the maturity or prior prepayment thereof shall be made to the person whose name appears in the Certificates registration records maintained by the Trustee pursuant to the Trust Agreement as the registered owner thereof as of the close of business on the Record Date preceding each Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on such Interest Payment Date (or the next Business Day if such Interest Payment Date is not a Business Day) to such registered owner at the address as it appears in such books or at such other address as may have been filed with the Trustee for that purpose. The Owner of \$1,000,000 or more in aggregate principal amount evidenced by the Certificates may request in writing that the Trustee pay the interest evidenced by such Certificates by wire transfer and the Trustee shall comply with such request for all Interest Payment Dates following the fifteenth (15th) day after receipt of such request until such request is rescinded. All such amounts are payable in lawful money of the United States of America.

This Certificate is one of the duly authorized Certificates of the series set forth above, which have been executed by the Trustee pursuant to the terms of a Trust Agreement (together with any supplements or amendments thereto, the "Trust Agreement") by and between the Trustee, the Local Agencies and the Authority, dated as of [DATED DATE]. Copies of the Trust Agreement are on file at the corporate trust office of the Trustee, and reference is hereby made to the Trust Agreement and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms securing the Certificates, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the registered owners of the Certificates with respect thereto and for the other agreements, conditions, covenants and terms upon which the Certificates are executed and delivered thereunder, to which agreements, conditions, covenants and terms the owner hereof, by acceptance hereof, hereby consents.

To the extent and in the manner permitted by the terms of the Trust Agreement and the Agreements, the provisions of the Trust Agreement may be amended or supplemented by the parties thereto.

This Certificate is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the corporate trust office of the Trustee but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender of this Certificate for cancellation accompanied by delivery of a duly executed written instrument of transfer in the form appearing hereon. Upon such transfer, a new Certificate or Certificates of the same series and Certificate Payment Date representing the same principal amount will be executed and delivered to the transferee in exchange herefor. The Certificates are exchangeable at the corporate trust office of the Trustee for a like aggregate principal amount of Certificates of authorized denominations of the same series and Certificate Payment Date, in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement.

The Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Certificate shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal represented by this Certificate shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability represented by this Certificate to the extent of the sum or sums so paid.

The Certificates are authorized to be executed and delivered in the form of fully registered Certificates in denominations of five thousand dollars (\$5,000) each or any integral multiple thereof so long as no Certificate shall represent principal becoming payable on more than one Certificate Payment Date.

The Certificates are subject to optional and mandatory prepayment prior to their respective Certificate Payment Dates, as provided in the Trust Agreement.

The Certificates each evidence and represent a fractional undivided interest in the 2016 Installment Sale Payments in an amount equal to the aggregate principal amount of Certificates originally executed and delivered by the Trustee pursuant to the Trust Agreement and enjoy the benefits of a security interest in the moneys held in the funds established pursuant to the Trust Agreement, subject to the provisions of the Trust Agreement permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein. The obligations of the Local Agencies to make the 2016 Installment Sale Payments are special obligations of the Local Agencies payable from all Measure R Receipts received by it shall be deposited when and as received in the Measure R Receipts Account, and do not constitute debts of the Local Agencies or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

The Trustee has no obligation or liability to the Certificate owners for the payment of the interest or principal represented by the Certificates, but rather the Trustee's sole obligations are to administer, for the benefit of the Local Agencies and the Authority and the Certificate owners, the various funds established under the Trust Agreement and the Agreements. The Authority has no obligation or liability whatsoever to the Certificate owners.

The Owner hereby has a proportionate undivided ownership interest in the 2016 Installment Sale Payments payable pursuant to the Agreements, as set forth in Schedule I to the Trust Agreement.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Trustee or its agent for the registration of transfer, exchange, or payment, and any certificate executed and delivered 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

The Authority has certified to the Trustee that all acts, conditions and things required by the statutes of the State of California and the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Certificate do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the Trustee is duly authorized to execute and deliver this Certificate. This is to further certify that the amount of this Certificate, together with all other Certificates executed and delivered under the Trust Agreement, is not in excess of the amount of Certificates authorized to be executed and delivered thereunder.

IN WITNESS WHEREOF, this Certificate has been dated as of the date set forth above and has been executed by the manual signature of an authorized signatory of the Trustee.

Date of Execution: _____, 2016

WILMINGTON TRUST, N.A., as Trustee

By: _____
Authorized Signatory

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (“AGM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments of principal of and interest evidenced and represented by this Certificate to Wilmington Trust, N.A., Los Angeles, California, or its successor, as trustee for the Certificates (the “Trustee”). Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from AGM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Certificate acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____, whose address is _____ and whose social security or Taxpayer Identification No. is _____, the within Certificate and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer such Certificate on the Certificate register of the Trustee, with full power of substitution in the premises.

Dated: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

**FORM REQUISITION FROM PROCEEDS SUBACCOUNT
OF THE ACQUISITION FUND**

To: Wilmington Trust, N.A., as Trustee

From: [LOCAL AGENCY]

Dated Date: _____

Re: California Communities T.R.I.P. – Total Road Improvement Program (the
“Program”) Series 2016

Requisition No. ____

The undersigned, on behalf of the [LOCAL AGENCY] (the “Local Agency”), acting as agent of the Authority pursuant to the Agreement, hereby requests payment, from the Proceeds Subaccount established for the Local Agency pursuant to the Program, the amount of \$_____ [by wire/check/ACH (circle one)] for purposes for which the Local Agency is authorized to expend moneys. If the payment is by wire or ACH, please fill in the following information:

Name, Address and Phone Number of Bank:

ABA#: _____

Account No.: _____

The undersigned hereby certifies as follows:

The amount requisitioned hereby is for a Project Cost incurred in connection with its Project, is properly chargeable to the Proceeds Subaccount and has not been the subject of any previous requisition. The name and address of the person or persons to whom said amounts are to be disbursed and the amounts to be disbursed are as follows:

2. As of the date hereof, no event has occurred and is continuing which constitutes an Event of Default under the Agreement would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

3. The information contained herein is true and correct as of the date of this Requisition.

4. Capitalized terms will herein have the meanings assigned to such terms in the Trust Agreement, dated as of [DATED DATE], among the California Statewide Communities Development Authority, Wilmington Trust, N.A. and the Local Agencies named therein.

Authorized Local Agency
Representative

SCHEDULE I
PARTICIPATING LOCAL AGENCY

<u>Local Agency</u>	<u>Principal Amount</u>
[LOCAL AGENCY]	
Total Principal Amount	<u><u>\$XX,00,000.00</u></u>

SCHEDULE II

**INITIAL DEPOSIT TO PROCEEDS SUBACCOUNT
ATTRIBUTABLE TO EACH LOCAL AGENCY**

<u>Local Agency</u> [LOCAL AGENCY]	Amount Deposited in the <u>Proceeds Subaccount</u>
Total Proceeds	<hr/> <hr/>

NEW ISSUE – BOOK-ENTRY ONLY

[INSURED RATING: Standard & Poor's: "___"]
[UNDERLYING] RATING: Standard & Poor's: "___"
(See "RATING[S]")

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 shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

[BOND COUNSEL TO CONFIRM/REVISE:] *In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the Local Agencies, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the interest on the Installment Sale Payments paid by each Local Agency under the applicable 2016 Installment Sale Agreement and received by the owners of the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Special Counsel, such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Special Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of the interest on, the Installment Sale Payments. See "TAX MATTERS."*

\$ _____
CALIFORNIA COMMUNITIES
LOCAL MEASURE R SALES TAX REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION, SERIES 2016
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)
Evidencing Proportionate and Undivided Interest of the Owners Thereof
in Installment Sale Payments to be Made by
Participating Local Agencies
Pursuant to Certain 2016 Installment Sale Agreements

Dated: Date of Delivery

Due: June 1, as shown on inside cover

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE CERTIFICATES. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The California Communities Local Measure R Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2016 (T.R.I.P. – Total Road Improvement Program) (the "Certificates"), are being executed and delivered in the aggregate principal amount of \$ _____ by Wilmington Trust, N.A., as trustee (the "Trustee"), pursuant to the provisions of a Trust Agreement, dated as of _____ 1, 2016 (the "Trust Agreement"), by and among the California Statewide Communities Development Authority (the "Authority"), the Trustee, and the local agencies named therein (each, a "Local Agency" and, collectively, the "Local Agencies"). Capitalized terms used on this cover page and not otherwise defined shall have the meanings ascribed to them elsewhere in this Official Statement. See in particular "APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Definitions."

The proceeds from the sale of the Certificates will be used to (i) finance the design, acquisition, and construction of certain local roadway and street improvement projects within the jurisdiction of each Local Agency, as applicable (each, a "Project" and, collectively, the "Project"), (ii) **[CONFIRM:]** obtain an insurance policy that constitutes a Qualified Reserve Instrument (as defined herein) in lieu of the required deposit to each reserve subaccount within the reserve fund for the Certificates, and (iii) pay the costs incurred in connection with the execution, sale, and delivery of the Certificates. The Authority will sell each Project to the applicable Local Agency pursuant to a 2016 Installment Sale Agreement, each dated as of _____ 1, 2016 (each, a "2016 Installment Sale Agreement" and, collectively, the "2016 Installment Sale Agreements"), by and between the Authority and the applicable Local Agency. See "ESTIMATED SOURCES AND USES OF CERTIFICATE PROCEEDS," "THE LOCAL AGENCIES AND THE PROJECTS," and "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Reserve Fund."

Each Local Agency is required under its 2016 Installment Sale Agreement to make installment sale payments (collectively, the "Installment Sale Payments") to the Authority, which Installment Sale Payments are payable from a first lien on all Measure R Receipts (as defined herein), generally consisting of certain amounts received by the Local Agency from a 0.5% sales tax that is collected in the County of Los Angeles, California, for a thirty-year period ending on June 30, 2039, to the extent the applicable Project constitutes a Measure R Project (as defined herein), for deposit in the Pledged Tax Fund in accordance with the applicable 2016 Installment Sale Agreement. Installment Sale Payments are scheduled in an amount sufficient to pay, when due, the annual principal and interest with respect to the Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES," "MEASURE R REVENUES; MEASURE R RECEIPTS," and "RISK FACTORS." The Measure R Receipts are the sole source of payment of the Installment Sale Payments. Neither the general fund of any Local Agency nor any other moneys of any Local Agency are available to pay or secure the Installment Sale Payments or the Certificates. **The obligation of each Local Agency to pay its Installment Sale Payments is not subject to abatement.**

The Certificates will be executed and delivered in fully registered form without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Certificates. Individual purchases of Certificates may be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof for each maturity. Purchasers will not receive certificates representing their interest in the Certificates purchased. See "THE CERTIFICATES – Book-Entry Only System."

Payments of principal and interest with respect to the Certificates will be made by the Trustee to DTC, which will in turn remit such principal and interest to its participants for subsequent dispersal to beneficial owners of the Certificates as described herein. Interest with respect to the Certificates is payable semiannually each June 1 and December 1, commencing **[CONFIRM:]** June 1, 2016, until the maturity or the earlier prepayment thereof. Principal with respect to the Certificates will be paid on each June 1, commencing **[CONFIRM:]** June 1, 2016, upon surrender of such Certificate at the principal corporate office of the Trustee upon maturity or the earlier prepayment thereof.

The Certificates are subject to optional, mandatory, and mandatory sinking fund prepayment prior to their stated principal payment dates as described herein.

[The scheduled payment of principal and interest with respect to the Certificates when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Certificates by **[INSURER]**. See "CERTIFICATE INSURANCE POLICY" and "APPENDIX E – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."]

[INSURER LOGO]

THE OBLIGATION OF EACH LOCAL AGENCY TO MAKE INSTALLMENT SALE PAYMENTS UNDER ITS 2016 INSTALLMENT SALE AGREEMENT IS A SPECIAL OBLIGATION OF SUCH LOCAL AGENCY PAYABLE SOLELY FROM MEASURE R RECEIPTS AND DOES NOT CONSTITUTE A DEBT OF SUCH LOCAL AGENCY, ANY OTHER LOCAL AGENCY, THE AUTHORITY, THE STATE OF CALIFORNIA (THE "STATE"), OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE LOCAL AGENCY, ANY OTHER LOCAL AGENCY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE LOCAL AGENCY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

[See Maturity Schedule on Inside Cover]

The Certificates are offered when, as, and if executed and delivered to and received by the Underwriter, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Special Counsel to the Local Agencies. Certain legal matters will be passed upon for the Authority by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, for the City of Azusa by Best Best & Krieger LLP, Irvine, California, its City Attorney, for the City of San Fernando by Olivarez Madruga, LLP, Los Angeles, California, its City Attorney, and for the Underwriter by Goodwin Procter LLP, Los Angeles, California, as Underwriter's Counsel. It is anticipated that the Certificates in book-entry form will be available for delivery through the facilities of DTC in New York, New York, on or about _____, 2016.

STIFEL

Dated: _____, 2016.

* Preliminary; subject to change.

MATURITY SCHEDULE

<u>Maturity Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP⁽¹⁾No.</u>	<u>Maturity Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP⁽¹⁾No.</u>
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\$ _____ % Term Certificates due June 1, 20__; Yield: _____%; Price: ____; CUSIP⁽¹⁾No. _____

- (1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services ("CGS"), managed by S&P Capital IQ on behalf of The American Bankers Association. These data are not intended to create a database and do not serve in any way as a substitute for the CGS database. None of the Authority, the Local Agencies, or the Underwriter are responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the Authority, the Local Agencies, or the Underwriter and are included solely for the convenience of the registered owners of the Certificates. None of the Authority, the Local Agencies, or the Underwriter are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness with respect to the Certificates or as included herein. The CUSIP number for a specific maturity of Certificate is subject to being changed after the execution and delivery of the Certificates as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Certificates.

PARTICIPATING LOCAL AGENCIES**City of Azusa**

Joseph R. Rocha, *Mayor*
Edward J. Alvarez, *Mayor Pro-Tem*
Angel A. Carrillo, *Council Member*
Uriel E. Macias, *Council Member*
Robert Gonzales, *Council Member*

Troy L. Butzlaff, *City Manager*
Susan Paragas, *Finance Director*
Arthur Vasquez, *City Treasurer*
Jeffrey Cornejo, Jr., *City Clerk*

City of San Fernando

Joel Fajardo, *Mayor*
Sylvia Ballin, *Vice Mayor*
Antonio Lopez, *Councilmember*
Robert C. Gonzales, *Councilmember*
Jaime Soto, *Councilmember*

Brian Saeki, *City Manager*
Nick Kimball, *Finance Director*
Margarita Solis, *City Treasurer*
Elena G. Chávez, *City Clerk*

PROFESSIONAL SERVICES***Special Counsel***

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Underwriter's Counsel

Goodwin Procter LLP
Los Angeles, California

Trustee

Wilmington Trust, N.A.
Costa Mesa, California

Financial Advisor

Urban Futures, Inc.
Orange, California

No dealer, broker, salesperson, or other person has been authorized by any Local Agency, the Authority, or Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Certificates, nor shall there be any sale of the Certificates, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

This Official Statement is not to be construed to be a contract with the purchasers of the Certificates. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly described as such herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth in this Official Statement has been obtained from each Local Agency, the Authority, and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness and it is not to be construed as a representation by any such Local Agency or the Authority. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of any Local Agency or the Authority since the date of this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as 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.

This Official Statement is submitted in connection with the sale of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE CERTIFICATES HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE UNDERWRITER MAY OFFER AND SELL THE CERTIFICATES TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

[INSERT INSURER DISCLAIMER, IF APPLICABLE]

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OFFICIAL STATEMENT

\$ _____*

**CALIFORNIA COMMUNITIES
LOCAL MEASURE R SALES TAX REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION, SERIES 2016
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)
Evidencing Proportionate and Undivided Interest of the Owners Thereof
in Installment Sale Payments to be Made by
Participating Local Agencies
Pursuant to Certain 2016 Installment Sale Agreements**

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page, Table of Contents, and Appendices (the “Official Statement”), provides certain information concerning the execution and delivery of the California Communities Local Measure R Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2016 (T.R.I.P. – Total Road Improvement Program) (the “Certificates”), in an aggregate principal amount of \$_____. Descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each such document for complete details of all terms and conditions therein. All statements in this Official Statement are qualified in their entirety by reference to the applicable documents.

This Introduction is subject in all respects to the more complete information contained elsewhere in this Official Statement, and the offering of the Certificates to potential investors is made only by means of the entire Official Statement. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Definitions.”

Description of the Certificates

The Certificates will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the inside cover page hereof. The Certificates will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, which will act as securities depository for the Certificates.

The Certificates evidence proportionate and undivided interests of the registered owners thereof (the “Owners”) in installment sale payments (the “Installment Sale Payments”) to be made by each Local Agency (as defined herein) to the California Statewide Communities Development Authority (the “Authority”), as the purchase price for certain local roadway and street improvement projects throughout the geographic boundaries of each Local Agency (each, a “Project” and, collectively, the “Projects”) pursuant to certain 2016 Installment Sale Agreements, each dated as of _____ 1, 2016 (each, a “2016 Installment Sale Agreement” and, collectively, the “2016 Installment Sale Agreements”), each by and between the Authority and the applicable Local Agency. The Local Agencies consist of the City of Azusa, California (the “City of Azusa”), and the City of San Fernando, California (the “City of San Fernando”). The City of Azusa and the City of San Fernando are each defined herein as a “Local Agency” and collectively defined herein as the “Local Agencies.” See “THE CERTIFICATES,” “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES,” and “THE LOCAL AGENCIES AND THE PROJECTS.”

* Preliminary; subject to change.

Authorization

The Certificates are being executed and delivered by Wilmington Trust, N.A., as trustee (the “Trustee”), pursuant to (i) a Trust Agreement, dated as of _____ 1, 2016 (the “Trust Agreement”), by and among the Authority, the Trustee, and each Local Agency, and (ii) a resolution adopted by the Authority on _____, 2016, a resolution adopted by the City of Azusa on _____, 2016, and a resolution adopted by the City of San Fernando on _____, 2016 (collectively, the “Resolutions”). See “THE CERTIFICATES – Authorization” and Registration of Certificates” and “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

Judicial Validations

City of Azusa Validation. The City of Azusa filed the complaint (the “Validation Action”) in the Superior Court of the State of California for the County of Los Angeles (the “Los Angeles County Superior Court”) pursuant to California Government Code Section 53510 *et seq.* and California Code of Civil Procedure Section 860 *et seq.* (collectively, the “Validation Law”) seeking to validate certain issues raised by the proposed execution and delivery of the Certificates. The City of Azusa filed the Validation Action on _____, 2016. There was no answering party in the action and, on _____, 2016, the City of Azusa obtained a judgment in its favor that enjoins the institution of any action or proceeding raising any issue as to which such judgment is binding and conclusive. An appeal of such judgment could only be filed with the Los Angeles County Superior Court within 30 days after the entry of such judgment (i.e., by no later than _____, 2016) and, since there was no answering party in the action, only issues related to the jurisdiction of the Los Angeles County Superior Court to enter a judgment in the action may be raised during such period. The appeal period for such action expired on _____, 2016.

City of San Fernando Validation. The City of San Fernando filed the complaint (the “Validation Action”) in the Superior Court of the State of California for the County of Los Angeles (the “Los Angeles County Superior Court”) pursuant to California Government Code Section 53510 *et seq.* and California Code of Civil Procedure Section 860 *et seq.* (collectively, the “Validation Law”) seeking to validate certain issues raised by the proposed execution and delivery of the Certificates. The City of San Fernando filed the Validation Action on _____, 2016. There was no answering party in the action and, on _____, 2016, the City of San Fernando obtained a judgment in its favor that enjoins the institution of any action or proceeding raising any issue as to which such judgment is binding and conclusive. An appeal of such judgment could only be filed with the Los Angeles County Superior Court within 30 days after the entry of such judgment (i.e., by no later than _____, 2016) and, since there was no answering party in the action, only issues related to the jurisdiction of the Los Angeles County Superior Court to enter a judgment in the action may be raised during such period. The appeal period for such action expired on _____, 2016.

Use of Certificate Proceeds

The proceeds from the sale of the Certificates will be used to (i) finance the design, acquisition, and construction of the Projects, (ii) **[CONFIRM:]** obtain an insurance policy that constitutes a Qualified Reserve Instrument (as defined herein) in lieu of the required deposit to each applicable reserve subaccount (each, a “Reserve Subaccount” and, collectively, the “Reserve Subaccounts”) within the reserve fund for the Certificates (the “Reserve Fund”), and (iii) pay the costs incurred in connection with the execution, sale, and delivery of the Certificates [, including, but not limited to, the cost of the Certificate Insurance Policy (as defined herein)]. See “ESTIMATED SOURCES AND USES OF CERTIFICATE PROCEEDS,” “THE LOCAL AGENCIES AND THE PROJECTS,” and “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Reserve Fund.”

Payment of Principal and Interest

Interest with respect to the Certificates is payable semiannually on June 1 and December 1, commencing [CONFIRM:] June 1, 2016 (each, an “Interest Payment Date”), and is payable by check mailed by first class mail on the date such interest is due to the Owner at his address as it appears on the registration books maintained by the Trustee; provided, however, that an Owner of \$1,000,000 or more in aggregate principal amount evidenced by the Certificates may request in writing that the Trustee pay the interest evidenced by such Certificates by wire transfer and the Trustee shall comply with such request for all Interest Payment Dates following the 15th day after receipt of such request until such request is rescinded. Principal with respect to the Certificates will be payable on June 1 of each year, commencing [CONFIRM:] June 1, 2016 (each, a “Certificate Payment Date”), upon surrender of such Certificate at the principal corporate trust office of the Trustee in Los Angeles, California, upon the maturity or earlier prepayment thereof. See “THE CERTIFICATES.”

Prepayment of Certificates

The Certificates are subject to optional, mandatory, and mandatory sinking fund prepayment under certain circumstances as described herein. See “THE CERTIFICATES – Prepayment of Certificates.”

Security and Sources of Payment for the Certificates

Installment Sale Payments. Pursuant to the 2016 Installment Sale Agreements, each Local Agency is required to pay to the Trustee, from a first lien on the Measure R Receipts (as defined below), the Installment Sale Payments attributable to each Local Agency, which Installment Sale Payments, when added to the Installment Sale Payments received from the other Local Agency, are designed to be sufficient, in both time and amount, to pay, when due, the principal and interest evidenced and represented by the Certificates. Each Local Agency is solely responsible for the payment of the Installment Sale Payments attributable to such Local Agency, and no Local Agency is responsible for the payment of any Installment Sale Payments attributable to any other Local Agency.

The term “Measure R Receipts” is defined in the 2016 Installment Sale Agreements to mean Measure R Revenues (as defined below) allocated by the Los Angeles County Metropolitan Transportation Authority (“MTA”) to the applicable Local Agency pursuant to the Measure R Ordinance (as defined below) from the Local Return Subfund (the “Local Return Subfund”) established under the Measure R Ordinance, to the extent the applicable Project constitutes a Measure R Project (as defined below), in an amount not greater than the Installment Sale Payments related to such Measure R Project. [CONFIRM DEFINITION:] The term “Measure R Revenues” is defined in each 2016 Installment Sale Agreement to mean revenues of MTA pursuant to the Measure R Ordinance derived from a retail transactions and use tax (the “Measure R Sales Tax”) imposed in the County of Los Angeles, California (the “County of Los Angeles”), pursuant to the pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California (the “Transactions and Use Tax Law”), Division 12 of the Public Utilities Code of the State of California (the “County Transportation Commissions Act”), and Ordinance No. 08-01, the “Traffic Relief and Rail Expansion Ordinance,” adopted by MTA on July 24, 2008, and approved by at least two-thirds of electors voting on such proposition in the November 4, 2008 election, as supplemented and amended (the “Measure R Ordinance”). The term “Measure R Project” is defined in each 2016 Installment Sale Agreement to mean a capital project for which Measure R Receipts may be expended. [CONFIRM:] The City of Azusa’s entire Project constitutes a Measure R Project and the City of San Fernando’s entire Project constitutes a Measure R Project. See “THE LOCAL AGENCIES AND THE PROJECTS – The Projects.”

Only the portion of Measure R Revenues allocated by MTA to each Local Agency constituting Measure R Receipts may be applied to pay the Installment Sale Payments attributable to such Local Agency. See “RISK FACTORS – Limitations on Use of Measure R Revenues.”

Pursuant to the Trust Agreement, the Authority will assign to the Trustee all of the Authority’s rights and remedies under the 2016 Installment Sale Agreements, including, but not limited to, the Authority’s security interest in and lien upon the Measure R Receipts. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES,” “MEASURE R REVENUES; MEASURE R RECEIPTS,” and “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

Reserve Fund and Reserve Subaccounts. Pursuant to the Trust Agreement, the Trustee is required to maintain amounts on deposit in the applicable Reserve Subaccount of the Reserve Fund for each Local Agency, which amounts are held by the Trustee and pledged to the payment of principal and interest with respect to the Certificates, in amounts equal to each such Local Agency’s Reserve Fund Requirement (as defined herein) for such Reserve Subaccount. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Reserve Fund” and “– Reserve Policies” and “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Trust Agreement.”

[Certificate Insurance Policy. Concurrently with the execution and delivery of the Certificates, _____ (the “Certificate Insurer”) will issue its Municipal Bond Insurance Policy for the Certificates (the “Certificate Insurance Policy”). The Certificate Insurance Policy guarantees the scheduled payment of principal and interest with respect to the Certificates when due as set forth in the form of the Certificate Insurance Policy included as Appendix E to this Official Statement. See “CERTIFICATE INSURANCE POLICY.”]

Special, Limited Obligation of the Local Agencies

THE OBLIGATION OF EACH LOCAL AGENCY TO MAKE INSTALLMENT SALE PAYMENTS UNDER ITS 2016 INSTALLMENT SALE AGREEMENT IS A SPECIAL OBLIGATION OF SUCH LOCAL AGENCY PAYABLE SOLELY FROM MEASURE R RECEIPTS AND DOES NOT CONSTITUTE A DEBT OF SUCH LOCAL AGENCY, ANY OTHER LOCAL AGENCY, THE AUTHORITY, THE STATE OF CALIFORNIA (THE “STATE”), OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH SUCH LOCAL AGENCY, ANY OTHER LOCAL AGENCY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH SUCH LOCAL AGENCY, ANY OTHER LOCAL AGENCY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

Continuing Disclosure

In connection with the execution and delivery of the Certificates, each Local Agency will covenant in a separate continuing disclosure agreement (each, a “Continuing Disclosure Agreement” and, collectively, the “Continuing Disclosure Agreements”), executed for the benefit of Owners, to provide certain financial information and operating data and notices of certain events, if material. See “CONTINUING DISCLOSURE” and “APPENDIX D – FORM OF LOCAL AGENCY CONTINUING DISCLOSURE AGREEMENT.”

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “intend,” “expect,” “propose,” “estimate,” “project,” “budget,” “anticipate,” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties, and other factors that may cause the 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 updates or revisions to these forward-looking statements are expected to be issued if or when the expectations, events, conditions, or circumstances on which such statements are based change. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such forward-looking statements. **READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.**

References Qualified

The summaries of and references to all documents, statutes, reports, and other instruments referred to in this Official Statement do not purport to be complete, comprehensive, or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute, report, or instrument.

ESTIMATED SOURCES AND USES OF CERTIFICATE PROCEEDS

The following table details the estimated sources and uses of Certificate proceeds.

Estimated Sources:

Principal Amount Represented by Certificates
 [Plus/Less]: Net Original Issue [Premium/Discount]
 Less: Underwriter’s Discount
 Total Sources

Estimated Uses:

[Transfer to Certificate Insurer for Certificate Insurance Policy Premium]
 [Transfer to Certificate Insurer for Reserve Policy Premiums]
 Deposit into the Costs of Issuance Fund ⁽¹⁾
 Deposit into the Proceeds Subaccounts of the Acquisition Fund ⁽²⁾
 Total Uses

⁽¹⁾ Moneys in the Costs of Issuance Fund are expected to be used to pay the fees and expenses of Special Counsel, Underwriter’s Counsel, the Trustee, the Financial Advisor, and the rating agency, as well as printing and other miscellaneous costs.

⁽²⁾ Within the Acquisition Fund, \$_____ will be deposited into the Proceeds Subaccount for the City of Azusa and \$_____ will be deposited into the Proceeds Subaccount for the City of San Fernando, to be applied to the acquisition and construction of the applicable Project. See “THE LOCAL AGENCIES AND THE PROJECTS.”

THE CERTIFICATES

Authorization and Registration of Certificates

The Certificates are being executed and delivered by the Trustee pursuant to the Trust Agreement and the Resolutions. The Certificates will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the inside cover page hereof. The Certificates will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, which will act as securities depository for the Certificates. See “THE CERTIFICATES – Book-Entry Only System” and “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Trust Agreement.”

Judicial Validation of Certificates

City of Azusa Validation. The City of Azusa filed the complaint (the “Validation Action”) in the Superior Court of the State of California for the County of Los Angeles (the “Los Angeles County Superior Court”) pursuant to California Government Code Section 53510 *et seq.* and California Code of Civil Procedure Section 860 *et seq.* (collectively, the “Validation Law”) seeking to validate certain issues raised by the proposed execution and delivery of the Certificates. The City of Azusa filed the Validation Action on _____, 2016. There was no answering party in the action and, on _____, 2016, the City of Azusa obtained a judgment in its favor that enjoins the institution of any action or proceeding raising any issue as to which such judgment is binding and conclusive. An appeal of such judgment could only be filed with the Los Angeles County Superior Court within 30 days after the entry of such judgment (i.e., by no later than _____, 2016) and, since there was no answering party in the action, only issues related to the jurisdiction of the Los Angeles County Superior Court to enter a judgment in the action may be raised during such period. The appeal period for such action expired on _____, 2016.

City of San Fernando Validation. The City of San Fernando filed the complaint (the “Validation Action”) in the Superior Court of the State of California for the County of Los Angeles (the “Los Angeles County Superior Court”) pursuant to California Government Code Section 53510 *et seq.* and California Code of Civil Procedure Section 860 *et seq.* (collectively, the “Validation Law”) seeking to validate certain issues raised by the proposed execution and delivery of the Certificates. The City of San Fernando filed the Validation Action on _____, 2016. There was no answering party in the action and, on _____, 2016, the City of San Fernando obtained a judgment in its favor that enjoins the institution of any action or proceeding raising any issue as to which such judgment is binding and conclusive. An appeal of such judgment could only be filed with the Los Angeles County Superior Court within 30 days after the entry of such judgment (i.e., by no later than _____, 2016) and, since there was no answering party in the action, only issues related to the jurisdiction of the Los Angeles County Superior Court to enter a judgment in the action may be raised during such period. The appeal period for such action expired on _____, 2016.

[CONFIRM:] The Authority intends that the Certificates will be priced and sold to the Underwriter prior to the expiration of such appeal periods, although the Certificates will not be executed and delivered to investors until after the expiration of such periods. If any such appeals are filed in a timely manner, however, the sale of the Certificates to the Underwriter will be rescinded and the delivery of the Certificates to investors will be cancelled, without penalty to the Authority or the Underwriter.

Payment of Certificates

The Certificates will be executed and delivered in fully registered form without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust

Company, New York, New York (“DTC”). DTC will act as securities depository for the Certificates. Individual purchases of Certificates may be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof for each maturity. Purchasers will not receive certificates representing their interest in the Certificates purchased. Payments of principal and interest with respect to the Certificates will be made by the Trustee to DTC, which will in turn remit such principal and interest to its participants for subsequent dispersal to beneficial owners of the Certificates as described herein. Interest with respect to the Certificates is payable semiannually on each Interest Payment Date, commencing [CONFIRM:] June 1, 2016, until the maturity or the earlier prepayment thereof. Principal and any prepayment premiums with respect to each Certificate will be paid on each Certificate Payment Date upon surrender of such Certificate at the principal corporate office of the Trustee upon maturity or the earlier prepayment thereof. See “THE CERTIFICATES – Book-Entry Only System.”

Prepayment of Certificates

Optional Prepayment of Certificates. The Certificates maturing on or before June 1, 20__, are not subject to optional prepayment prior the respective stated maturities. The Certificates maturing on or after June 1, 20__, will be subject to optional prepayment prior to maturity, at the option of the Authority upon direction of a Local Agency, on or after June 1, 20__, in whole or in part (by lot among Certificates with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate), on any date, at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium. The applicable Local Agency is required to provide written notice to the Authority and the Trustee at least 45 days prior to the prepayment date (or such lesser period of time acceptable to the Trustee in its sole discretion) specifying the principal amount evidenced by and maturities of the Installment Sale Payments to be prepaid.

Only the principal amount of Certificates allocable to the portion of the Installment Sale Payments being prepaid by the applicable Local Agency shall be prepaid, and such prepayment shall have no effect on the Installment Sale Payments payable by any other Local Agency that is not prepaying the Installment Sale Payments attributable to such other Local Agency.

Mandatory Prepayment of Certificates Upon Acceleration. The Certificates are subject to mandatory prepayment prior to maturity, in whole or in part (by lot among Certificates with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate), on any date, from amounts received upon the acceleration of Installment Sale Payments upon the occurrence of an event of default under any 2016 Installment Sale Agreement, at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium.

Only the principal amount of Certificates allocable to the portion of the Installment Sale Payments being accelerated upon the occurrence of an event of default under the applicable 2016 Installment Sale Agreement shall be prepaid, and such prepayment shall have no effect on the Installment Sale Payments payable by any other Local Agency that is not in default under its applicable 2016 Installment Sale Agreement.

Mandatory Sinking Fund Prepayment. The Certificates maturing on June 1, 20__, are subject to mandatory prepayment on June 1 of each year commencing June 1, 20__, in part, from mandatory sinking fund payments, on each June 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such Certificates to be so prepaid and the dates therefor shall be as follows:

**Mandatory
Prepayment Date
(June 1)**

Principal Amount

(Maturity)

The amount of each such prepayment shall be reduced in the event and to the extent that Installment Sale Payments payable on the corresponding Certificate Payment Date are optionally prepaid by a Local Agency pursuant to its respective 2016 Installment Sale Agreement and applied to the prepayment of Certificates maturing on June 1, 20__.

Purchase of Certificates in Lieu of Prepayment

In lieu of prepayment of any Certificates, amounts on deposit in the Revenue Fund held under the Trust Agreement, or in any sinking account therein, may also be used and withdrawn by the Trustee at any time, upon the written request of the Authority, for the purchase of such Certificates at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest that is payable from the Interest Fund) as the Authority may in its discretion determine, but not in excess of the principal amount thereof plus accrued interest to the purchase date. The principal amount represented by any Certificates so purchased by the Trustee in any twelve-month period ending 60 days prior to any Certificate Payment Date in any year will be credited towards and shall reduce the principal amount represented by any Certificates required to be prepaid on such Certificate Payment Date in such year. [Any purchase of Certificates in lieu of prepayment shall require the prior written approval of the Certificate Insurer if any Certificate so purchased is not cancelled upon purchase.]

Selection of Certificates for Prepayment

Whenever provision is made in the Trust Agreement for the prepayment or purchase of less than all of the Certificates or any given portion thereof, the Trustee will, subject to the following sentence, select the Certificates to be prepaid or purchased, from all Certificates subject to prepayment or purchase or such given portion thereof equal to a multiple of \$5,000 or any integral multiple thereof not previously called for prepayment or purchase. Upon notice of any optional prepayment pursuant to the Trust Agreement, or receipt of moneys resulting in a mandatory prepayment pursuant to the Trust Agreement, the Trustee will request the Cash Flow Consultant to prepare a Cash Flow Report identifying the principal amount and maturities of the Certificates to be prepaid [; provided that upon the occurrence of an optional prepayment or mandatory prepayment upon acceleration in part, the selection of Certificates to be prepaid shall be subject to the approval of the Certificate Insurer so long as it has not failed to comply with its payment obligations under the Certificate Insurance Policy]. The Trustee will promptly notify the Authority in writing of any prepayment or purchase of Certificates and of the Certificates or portions thereof so selected for prepayment or purchase.

Notice of Prepayment; Effect of Notice

So long as DTC is acting as securities depository for the Certificates, notice of redemption, containing the information required by the Trust Agreement, will be mailed by first class mail, postage prepaid, by the Trustee to DTC (not to the Beneficial Owners of any Certificates designated for redemption) not less than thirty (30) nor more than sixty (60) days prior to the prepayment or purchase date, or, if the Certificates are no longer held by the Depository, to the Securities Depositories and the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (“EMMA”) System. Each notice of prepayment or purchase shall state the date of such notice, the date of initial execution and delivery of the Certificates, the prepayment or purchase date, the Prepayment Price or Purchase Price, the place or places of prepayment or purchase (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the Certificates of each Certificate Payment Date or Dates, and, if less than all of the Certificates of any such Certificate Payment Date, the distinctive certificate numbers of the Certificates with such Certificate Payment Date, to be prepaid or purchased and, in the case of Certificates to be prepaid or purchased in part only, the respective portions of the principal amount thereof to be prepaid or purchased. Each such notice shall also state that on said date there will become due and payable on each of said Certificates the Prepayment Price or Purchase Price represented thereby or of said specified portion of the principal amount thereof in the case of a Certificate to be prepaid or purchased in part only, together with interest accrued with respect thereto to the prepayment or purchase date, and that from and after such prepayment or purchase date, interest thereon shall cease to accrue, and shall require that such Certificates be then surrendered at the address or addresses of the Trustee specified in the prepayment or purchase notice. Conditional notice of prepayment may be given at the direction of the Authority and shall be given if funds sufficient to prepay the Certificates are not then on deposit with the Trustee.

Failure by the Trustee to give notice to EMMA or the Securities Depositories, or failure by the Trustee to mail notice of prepayment or purchase to any one or more of the respective Owners of any Certificates designated for prepayment or purchase, shall not affect the sufficiency of the proceedings for prepayment or purchase.

Partial Prepayment or Purchase of Certificates

Upon surrender of any Certificate to be prepaid or purchased in part only, the Trustee will execute and deliver to the registered owner thereof, at the expense of the Authority, a new Certificate or Certificates of authorized denominations, and having the same Certificate Payment Date, equal in aggregate principal amount to the unpaid or unpurchased portion of the Certificate surrendered.

Effect of Prepayment

Notice of prepayment having been duly given as described above, and moneys for payment of the principal and prepayment premium, if any, represented by the Certificates (or portions thereof) so called for prepayment (the “Prepayment Price”), together with interest accrued to the prepayment date with respect to such Certificates (or portions thereof), being held by the Trustee, on the prepayment date designated in such notice, the Certificates (or portions thereof) so called for prepayment shall become due and payable at the Prepayment Price specified in such notice and interest accrued with respect thereto to the prepayment date, interest with respect to the Certificates so called for prepayment shall cease to accrue, said Certificates (or portions thereof) will cease to be entitled to any benefit or security under the Trust Agreement, and the Owners of said Certificates shall have no rights in respect thereof except to receive payment of said Prepayment Price and accrued interest.

Book-Entry Only System

The following information regarding DTC and its book-entry system has been provided by DTC and has not been verified for accuracy or completeness by the Authority or any Local Agency, and neither the Authority nor any Local Agency shall have any liability with respect thereto. Neither the Authority nor any Local Agency shall have any responsibility or liability for any aspects of the records maintained by DTC relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising, or reviewing any records maintained by DTC relating to beneficial ownership, of interests in the Certificates.

[TO BE UPDATED PRIOR TO PRINTING, IF NECESSARY:]

DTC will act as securities depository for the Certificates. The Certificates will be executed and delivered 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 certificate will be issued for each maturity of the Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 SEC. More information about DTC can be found at www.dtcc.com. *The foregoing reference to an internet website is made for reference and convenience only; the information contained within the website has not been reviewed by the Authority or any Local Agency and is not incorporated in this Official Statement by reference.*

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("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 Certificates 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 Certificates except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates 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 Certificates 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 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates 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.

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 Certificates may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Certificates, such as prepayments, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners or, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Certificates within an issue are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 the Certificates are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments with respect to the Certificates 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 the Authority or the Trustee, on the 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 nor its nominee, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, 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.

DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Certificates are required to be printed and delivered in accordance with the terms of the Trust Agreement.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Certificates will be printed and delivered to DTC in accordance with the terms of the Trust Agreement.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY BELIEVES TO BE RELIABLE, BUT THE AUTHORITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. THE AUTHORITY GIVES NO ASSURANCES THAT DTC WILL DISTRIBUTE PAYMENTS TO DTC PARTICIPANTS OR THAT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS WITH RESPECT TO THE CERTIFICATES RECEIVED BY DTC OR ITS NOMINEES AS THE REGISTERED OWNER, ANY PREPAYMENT NOTICES, OR OTHER NOTICES TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

Debt Service

The table below presents the annual debt service with respect to the Certificates (including sinking account prepayments), assuming that there are no optional prepayments, for the year ending on June 1 in the years shown below:

Debt Service Schedule

<u>Date</u> <u>(June 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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Source: Underwriter.

SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES

Installment Sale Payments

The Certificates evidence proportionate and undivided interests of the Owners thereof in the Installment Sale Payments to be made by the Local Agencies pursuant to the 2016 Installment Sale Agreements. Pursuant to the 2016 Installment Sale Agreements, each Local Agency is required to pay to the Trustee, from a first lien on Measure R Receipts, such Local Agency's Installment Sale Payments, which are designed to be sufficient in both time and amount, to pay, when due, the principal and interest evidenced and represented by the Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Pledge of Measure R Receipts."

Pursuant to the Trust Agreement, the Authority will assign to the Trustee, for the benefit of the Owners, its rights under the 2016 Installment Sale Agreements, including, but not limited to, the Authority's security interest in and lien upon Measure R Receipts. See "APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

Pledge of Measure R Receipts

All Measure R Receipts held by the Trustee in any fund or account established under the Trust Agreement (other than amounts on deposit in the Acquisition Fund and the Rebate Fund established under the Trust Agreement) will be irrevocably pledged to the payment of the principal, interest, and prepayment premium, if any, evidenced and represented by the Certificates as provided in the Trust Agreement, and the Measure R Receipts will not be used for any other purpose while any of the Certificates remain outstanding; provided, however, that out of the Measure R Receipts there may be applied such sums for such purposes as are permitted under the Trust Agreement and the 2016 Installment Sale Agreements. Such pledge will constitute a first pledge of and charge and lien upon the Measure R Receipts on deposit in the funds and accounts established under the Trust Agreement (other than amounts on deposit in the Acquisition Fund and the Rebate Fund) for the payment of the interest and principal with respect to the Certificates in accordance with the terms of the Trust Agreement. Pursuant to the Trust Agreement, the Authority will assign to the Trustee all of the Authority's rights and remedies under the 2016 Installment Sale Agreements, including, but not limited to, the Authority's security interest in and lien upon the Measure R Receipts.

The term "Measure R Receipts" is defined in the 2016 Installment Sale Agreements to mean Measure R Revenues allocated by MTA to each Local Agency pursuant to the Measure R Ordinance from the Local Return Subfund, to the extent each Project constitutes a Measure R Project, in an amount not greater than the Installment Sale Payments related to such Measure R Project. **[CONFIRM:]** The City of Azusa's entire Project constitutes a Measure R Project and the City of San Fernando's entire Project constitutes a Measure R Project. See "THE LOCAL AGENCIES AND THE PROJECTS – The Projects."

The term "Measure R Revenues" is defined in the 2016 Installment Sale Agreements to mean revenues of MTA pursuant to the Measure R Ordinance derived from the Measure R Sales Tax imposed in the County of Los Angeles pursuant to the Transactions and Use Tax Law, the County Transportation Commissions Act, and the Measure R Ordinance. Only the portion of Measure R Revenues allocated by MTA to each Local Agency constituting Measure R Receipts may be applied to pay the applicable Installment Sale Payments. See "RISK FACTORS – Limitations on Use of Measure R Revenues."

For more information regarding the portion of Measure R Revenues historically allocated by MTA to each Local Agency, see "MEASURE R REVENUES; MEASURE R RECEIPTS." See also "RISK FACTORS."

Pledged Tax Fund

In order to carry out and effectuate the pledge, charge, and lien contained in the Trust Agreement, the Authority will covenant that all Measure R Receipts when and as received shall be received by the Authority in trust for the benefit of the Owners and shall be deposited when and as received by the Authority in the Revenue Fund created and maintained by the Trustee under the Trust Agreement. All Measure R Receipts shall be accounted separately for each Local Agency and held in trust in the Revenue Fund.

The following funds and accounts will be established within the Revenue Fund: (i) Interest Fund and, within the Interest Fund, an Interest Payment Account for each Local Agency; (ii) Principal Fund and, within the Principal Fund, a Principal Payment Account for each Local Agency; (iii) Reserve Fund and, within the Reserve Fund, a Reserve Subaccount for each Local Agency; (iv) Administration Fund and, within the Administration Fund, an Administration Subaccount for each Local Agency; and (v) Surplus Account.

In order to carry out and effectuate the obligation of each Local Agency contained in its 2016 Installment Sale Agreement to pay the Installment Sale Payments and the Administration Fee (as defined below), each Local Agency will agree and covenant in its 2016 Installment Sale Agreement that it has established a Pledged Tax Fund (each, a "Pledged Tax Fund") and within each Pledged Tax Fund, a "Measure R Receipts Account," which fund and account therein the applicable Local Agency will agree and covenant to maintain so long as any Installment Sale Payments remain unpaid, and all money on deposit therein shall be applied and used only as provided in the applicable 2016 Installment Sale Agreement. Each Local Agency will agree and covenant that all Measure R Receipts received by it shall be deposited when and as received in such Local Agency's Measure R Receipts Account. All of the Revenues (which term is defined in the 2016 Installment Sale Agreements to mean all Measure R Receipts) and all money in the applicable Pledged Tax Fund and in the funds or accounts so specified and provided for the 2016 Installment Sale Agreements will be irrevocably pledged to the punctual payment of the Installment Sale Payments and the Administration Fee, and the Revenues shall not be used for any other purpose while any of such Installment Sale Payments remain outstanding; subject to the provisions of the 2016 Installment Sale Agreements permitting application thereof for the purposes and on the terms and conditions set forth therein. Such pledge shall constitute a first lien on the Revenues for the payment of the Installment Sale Payments and the Administration Fee in accordance with the terms of the 2016 Installment Sale Agreements.

Notwithstanding the foregoing, each Local Agency may satisfy its obligation to deposit Installment Sale Payments with the Trustee by depositing Other Available Revenues with the Trustee, and, if and when so deposited, such Other Available Revenues shall be irrevocably pledged to the payment of Installment Sale Payments. The term "Other Available Revenues" is defined in the 2016 Installment Sale Agreements as revenues, other than Measure R Receipts, legally available to the applicable Local Agency to make Installment Sale Payments.

Pursuant to the 2016 Installment Sale Agreements, all Revenues on deposit in the applicable Pledged Tax Fund shall be set aside and deposited by the applicable Local Agency in the various funds and accounts within the Revenue Fund at the following times in the following order of priority:

Interest Fund and Principal Fund Deposits. On or before the 15th day preceding each Interest Payment Date, each Local Agency shall, from the Revenues in the applicable Pledged Tax Fund, transfer to the Trustee for deposit in such Local Agency's Interest Payment Account in the Interest Fund within the Revenue Fund, a sum equal to the interest becoming due and payable

on the next succeeding Interest Payment Date, except that no such deposit need be made if the Trustee then holds money in such Interest Payment Account equal to the amount of interest becoming due and payable with respect to such Local Agency on the next succeeding Interest Payment Date; and on or before the 15th day preceding each Certificate Payment Date, such Local Agency shall, from the Revenues in the applicable Pledged Tax Fund, transfer to the Trustee for deposit in such Local Agency's Principal Payment Account in the Principal Fund within the Revenue Fund, a sum equal to the principal becoming due and payable on the next succeeding Certificate Payment Date, except that no such deposit need be made if the Trustee then holds money in such Principal Payment Account equal to the amount of principal becoming due and payable with respect to such Local Agency on the next succeeding Certificate Payment Date.

Reserve Fund Deposit. On or before the 15th day of each month, each Local Agency shall, from the Revenues in the applicable Pledged Tax Fund, transfer to the Trustee for deposit in such Local Agency's Reserve Subaccount in the Reserve Fund within the Revenue Fund that sum, if any, necessary to restore such Reserve Subaccount to an amount equal to the Reserve Fund Requirement, all in accordance with and subject to the terms and conditions of the Trust Agreement. All money in the Reserve Subaccount shall be used and withdrawn by the Trustee for the purposes specified in the Trust Agreement.

Administration Fund Deposit. On or before the 15th day preceding each Certificate Payment Date, each Local Agency shall, from the remaining Revenues on deposit in the applicable Pledged Tax Fund, transfer to the Trustee for deposit in such Local Agency's Administration Subaccount in the Administration Fund within the Revenue Fund, a sum equal to the Administration Fee becoming due and payable under the Trust Agreement on the next Certificate Payment Date, and all money on deposit in the Administration Subaccount shall be used to pay the Administration Fee due on such Certificate Payment Date, in accordance with the terms of the Trust Agreement. "Administration Fee" means an amount equal to the sum of the respective annual administration fees charged by the Authority, the Trustee, and the Rebate Analyst, payable on the 15th day of the month preceding each Principal Payment Date.

Notwithstanding the foregoing, provided all transfers described above under the subheadings "Reserve Fund Deposit" and "Administrative Fund Deposit" have been made, on any Business Day moneys on deposit in the applicable Pledged Tax Fund in excess of the sum of (i) interest becoming due and payable under a Local Agency's 2016 Installment Sale Agreement on the next succeeding Interest Payment Date (less amounts then held by the Trustee in the Interest Payment Account) and (ii) the Pro Rata Share of Principal (less amounts then held by the Trustee in the Principal Payment Account) may be expended by such Local Agency at any time for any purpose permitted by law. "Pro Rata Share of Principal" is defined in each 2016 Installment Sale Agreement to mean, during any month, an amount of principal becoming due and payable thereunder on the next succeeding Certificate Payment Date that would have accrued if such principal were deemed to accrue monthly in equal amounts from the preceding Certificate Payment Date.

Deposit of Other Available Revenues

Notwithstanding the pledge of Measure R Receipts as described above, each Local Agency may satisfy its obligation to deposit Installment Sale Payments with the Trustee by depositing Other Available Revenues with the Trustee and, if and when so deposited, such Other Available Revenues shall be irrevocably pledged to the payment of Installment Sale Payments. Unless and until deposited with the Trustee, such Other Available Revenues are not pledged to the payment of Installment Sale Payments. The term "Other Available Revenues" is defined in the applicable 2016 Installment Sale Agreement as

revenues, other than Measure R Receipts, legally available to such Local Agency to make Installment Sale Payments.

Additional Contracts

So long as each Local Agency is not in default under its 2016 Installment Sale Agreement, such Local Agency may at any time execute any installment sale contracts, capital leases, or similar obligations of such Local Agency (each, a "Contract"), authorized and executed by such Local Agency under and pursuant to applicable law, that constitute additional charges against its Measure R Receipts without the consent of Owners of the Certificates. See "APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Installment Sale Payments; Administration Fee – Additional Contracts." To the extent that other Contracts are executed by a Local Agency, the funds available to pay the applicable Installment Sale Payments may be decreased. In addition, there is no limitation on the ability of a Local Agency City to execute any Contract at any time to refund any outstanding Contract.

Reserve Fund

The Trustee will set aside from amounts deposited by each Local Agency in the Revenue Fund and deposit in each Local Agency's Reserve Subaccount that amount of money (or other authorized deposit of security) that shall be required to maintain such Local Agency's Reserve Subaccount in the full amount of each Local Agency's Reserve Fund Requirement. No deposit need be made in the Reserve Subaccount so long as there shall be on deposit therein a sum equal to the applicable Reserve Fund Requirement. All money in each Reserve Subaccount (including all amounts that may be obtained from any insurance policy on deposit in the Reserve Subaccount) shall be used and withdrawn by the Trustee solely for the purpose of replenishing such Local Agency's Interest Payment Account or the Principal Payment Account, in that order, in the event of any deficiency at any time in either of such accounts, but solely for the purpose of paying the interest, principal, or prepayment premiums, if any, payable in connection with the applicable 2016 Installment Sale Agreement, except that any cash amounts in any Reserve Subaccount in excess of the amount required to be on deposit therein shall be withdrawn from the Reserve Subaccount on each Interest Payment Date and deposited in such Local Agency's Interest Payment Account.

In lieu of making a Reserve Fund Requirement deposit or in replacement of moneys then on deposit in any Reserve Subaccount (which shall be transferred by the Trustee to the applicable Local Agency upon delivery of an insurance policy satisfying the requirements stated below), a Local Agency may also deliver to the Trustee an insurance policy (a "Qualified Reserve Instrument") securing an amount, together with moneys or Permitted Investments on deposit in the applicable Reserve Subaccount, no less than the applicable Reserve Fund Requirement, issued by an insurance company licensed to issue insurance policies guaranteeing the timely payment of the principal and interest components of the related 2016 Installment Sale Agreement and whose unsecured debt obligations (or for which obligations secured by such insurance company's insurance policies) are rated in the two highest rating categories (without respect to any modifier) of the Rating Agency. [The prior written consent of the Certificate Insurer shall be condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the applicable Reserve Subaccount, if any.] Notwithstanding anything to the contrary set forth in the Trust Agreement, amounts on deposit in the Reserve Subaccounts shall be applied solely to the payment of debt service due on the Certificates.

If and to the extent that a Reserve Subaccount has been funded with a combination of cash (or Permitted Investments) and a Qualified Reserve Instrument, then all such cash (or Permitted Investments) shall be completely used before any demand is made on such Qualified Reserve Instrument, and replenishment of the Qualified Reserve Instrument shall be made prior to any replenishment of any cash (or Permitted Investments). If a Reserve Subaccount is funded, in whole or in part, with more than one

Qualified Reserve Instrument, then any draws made against such Qualified Reserve Instrument shall be made pro-rata.

The term “Reserve Fund Requirement” is defined in the Trust Agreement to mean, as of any date of calculation, separately with respect to each 2016 Installment Sale Agreement, an amount equal to the least of (i) 10% of the initial stated principal amount (within the meaning of Section 148 of the Code) of the Installment Sale Payments under such 2016 Installment Sale Agreement; (ii) 125% of the average annual Installment Sale Payments under such 2016 Installment Sale Agreement; or (iii) the Maximum Annual Debt Service.

See “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Trust Agreement.”

[Reserve Policies]

[The Certificate Insurer will issue separate Municipal Bond Debt Service Reserve Insurance Policies (each, a “Reserve Policy” and, collectively, the “Reserve Policies”) for the purpose of funding the Reserve Fund for the Certificates. The Certificate Insurer will issue the Reserve Policies in amounts equal to the applicable Reserve Fund Requirement. Each Reserve Policy is a Qualified Reserve Instrument. The premium for the Reserve Policies is to be fully paid at or prior to the execution and delivery of the Certificates.]

As long as each Reserve Policy shall be in full force and effect, the applicable Local Agency and the Trustee, as appropriate, shall comply with the following provisions:

[TO FOLLOW, IF APPLICABLE]

[Certificate Insurance Policy]

[The scheduled payment of principal and interest with respect to the Certificates when due will be guaranteed under the Certificate Insurance Policy to be issued concurrently with the delivery of the Certificates by the Certificate Insurer. For a more detailed description of the Certificate Insurance Policy and the Certificate Insurer, see “CERTIFICATE INSURANCE POLICY” and “APPENDIX E – SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”]

THE LOCAL AGENCIES AND THE PROJECTS

Participating Local Agencies

The following Local Agencies will execute the Trust Agreement: (1) the City of Azusa and (2) the City of San Fernando. Certain economic and demographic information regarding each participating Local Agency is included in Appendix B. See “MEASURE R REVENUES; MEASURE R RECEIPTS” for a discussion of the portion of Measure R Revenues that has historically been allocated by the Commission to each Local Agency. Only the portion of Measure R Revenues allocated by the Commission to the City of Azusa may be applied to pay the Installment Sale Payments attributable to the City of Azusa, and only the portion of Measure R Revenues allocated by the Commission to the City of San Fernando may be applied to pay the Installment Sale Payments attributable to the City of San Fernando.

The Projects

Each Local Agency is undertaking its Project as part of such Local Agency’s ongoing effort to accelerate street system improvements within its jurisdiction. The Projects are expected to include the components described below.

City of Azusa Project. The City of Azusa Project will be comprised of facilities that are eligible for expenditure of Measure R Receipts under applicable laws of the State. The entire City of Azusa Project constitutes a Measure R Project. The City of Azusa Project is expected to cost approximately **[CITY OF AZUSA TO PROVIDE:]** \$_____, which cost is expected to be paid from proceeds from the sale of the Certificates and from additional Measure R Revenues. The City of Azusa Project is currently expected to include the improvements described in the following table.

**DESCRIPTION OF PLANNED CITY OF AZUSA
PROJECT COMPONENTS AND ESTIMATED COSTS**

[TO BE COMPLETED BY CITY OF AZUSA:]

<u>Project Component</u>	<u>Description of Project Component</u>	<u>Estimated Cost</u>
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Source: City of Azusa.

City of San Fernando Project. The City of San Fernando Project will be comprised of facilities that are eligible for expenditure of Measure R Receipts under applicable laws of the State. The entire City of San Fernando Project constitutes a Measure R Project. The City of San Fernando Project is expected to cost approximately **[CITY OF SAN FERNANDO TO PROVIDE:]** \$_____, which cost is expected to be paid from proceeds from the sale of the Certificates and from additional Measure R Revenues. The City of San Fernando Project is currently expected to include the improvements described in the following table.

**DESCRIPTION OF PLANNED CITY OF SAN FERNANDO
PROJECT COMPONENTS AND ESTIMATED COSTS**

[TO BE COMPLETED BY CITY OF SAN FERNANDO:]

<u>Project Component</u>	<u>Description of Project Component</u>	<u>Estimated Cost</u>
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Source: City of San Fernando.

MEASURE R REVENUES; MEASURE R RECEIPTS

Pledge of Measure R Receipts

Pursuant to the 2016 Installment Sale Agreements, each Local Agency will pledge its Measure R Receipts for the payment of its Installment Sale Payments. The term “Measure R Receipts” is defined in the 2016 Installment Sale Agreements to mean Measure R Revenues allocated by the Commission to the applicable Local Agency pursuant to the Measure R Ordinance, to the extent such Local Agency’s Project constitutes a Measure R Project, for deposit in the Pledged Tax Fund in accordance with the applicable 2016 Installment Sale Agreement. The term “Measure R Project” is defined in such 2016 Installment Sale Agreement to mean a capital project for which Measure R Receipts may be expended. The City of Azusa’s entire Project constitutes a Measure R Project and the City of San Fernando’s entire Project constitutes a Measure R Project. See “THE LOCAL AGENCIES AND THE PROJECTS – The Projects.”

The term “Measure R Revenues” is defined in each 2016 Installment Sale Agreement to mean revenues of the Commission derived from the Measure R Sales Tax imposed in the County pursuant to the Measure R Sales Tax Act and the Measure R Ordinance. In accordance with the Measure R Sales Tax Act, on November 5, 2002, more than two-thirds of the voters of the County voting on the measure approved the Measure R Ordinance, which authorized the imposition of the Measure R Sales Tax, a one-half of one percent (0.5%) retail transaction and use tax on the gross receipts of retailers from the sale of tangible personal property sold in the County and a use tax at the same rate upon the storage, use, or other consumption in the County of such property purchased from any retailer for storage, use, or other consumption in the County, subject to certain limited exceptions described below. The Measure R Sales Tax commenced on July 1, 2009, is administered by the Commission, and will be collected for a thirty-year period ending on June 30, 2039.

For more information regarding the portion of Measure R Revenues historically allocated by the Commission to each Local Agency, see “ – Historical Measure R Revenues” below. See also ‘RISK FACTORS.’

The Measure R Sales Tax

Under the County Transportation Commissions Act, MTA is authorized to adopt retail transactions and use tax ordinances applicable in the incorporated and unincorporated territory of the County of Los Angeles in accordance with the Transactions and Use Tax Law upon authorization by two-thirds of the electors voting on the issue. In accordance with the County Transportation Commissions Act, on July 24, 2008, MTA adopted the Measure R Ordinance, which authorizes the Measure R Sales Tax, a retail transactions and use tax for public transit purposes. The Measure R Ordinance was submitted to the electors of the County of Los Angeles and approved at an election held on November 4, 2008 by more than two-thirds of the voters. The Measure R Ordinance imposes the Measure R Sales Tax, which is a tax of one-half of one percent (0.5%) of the gross receipts of retailers from the sale of tangible personal property sold at retail in the County of Los Angeles and a use tax at the same rate upon the storage, use, or other consumption in the County of Los Angeles of such property purchased from any retailer for storage, use, or other consumption in the County of Los Angeles, subject to certain limited exceptions. As approved by the voters, the Measure R Sales Tax is limited to 30 years in duration and terminates on June 30, 2039. Collection of the Measure R Sales Tax began on July 1, 2009.

The Measure R Sales Tax imposed in the County of Los Angeles for transportation purposes and administered by MTA is in addition to a seven and one-quarter percent sales or use tax levied statewide by the State. On November 6, 2012, State voters approved Proposition 30, which, among other things, will increase the current statewide tax rate by one quarter of one percent – increasing the statewide rate

from 7.25% to 7.50% – for four years, effective January 1, 2013, through December 31, 2016. The Measure R Sales Tax is also in addition to a one-half of one percent sales tax imposed by the Los Angeles County Transportation Commission (the “Commission”) beginning in 1980 and currently imposed by MTA pursuant to Ordinance No. 16 of the Commission known as “Proposition A Sales Tax,” a one-half of one percent sales tax imposed by MTA beginning in 1991 and currently imposed by MTA pursuant to its Ordinance No. 49 known as “Proposition C Sales Tax,” and sales taxes that apply only within certain cities within the County of Los Angeles.

In general, the State Sales Tax applies to the gross receipts of retailers from the sale of tangible personal property. The State use tax is imposed on the storage, use, or other consumption in the State of property purchased from a retailer for such storage, use, or other consumption. Since the use tax does not apply to cases where the sale of the property is subject to the sales tax, the application of the use tax generally is to purchases made outside of the State for use within the State.

The Measure R Sales Tax is generally imposed upon the same transactions and items subject to the State Sales Tax, with generally the same exceptions. Many categories of transactions are exempt from the State Sales Tax and the Measure R Sales Tax. The most important of these exemptions are: sales of food products for home consumption, prescription medicine, 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. In addition, “Occasional Sales” (i.e., sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller’s permit) are generally exempt from the State Sales Tax and from the Measure R Sales Tax; however, the “Occasional Sales” exemption does not apply to the sale of an entire business and other sales of machinery and equipment used in a business. Sales of property to be used outside the County of Los Angeles that are shipped to a point outside the County of Los Angeles, pursuant to the contract of sale, by delivery to such point by the retailer, or by delivery by the retailer to a carrier for shipment to a consignee, at such point, are exempt from the State Sales Tax and from the Measure R Sales Tax.

Action by the State Legislature or by voter initiative could change the transactions and items upon which the State Sales Tax and the Measure R Sales Tax are imposed. Such changes or amendments could have either an adverse or beneficial effect on Measure R Revenues. **[CONFIRM:]** Neither the City of Azusa nor the City of San Fernando is currently aware of any proposed legislative change that would have a material adverse effect on Measure R Revenues received by such Local Agency.

Los Angeles County Metropolitan Transportation Authority

MTA was established in 1993 pursuant to the provisions of Section 130050.2 et seq. of the California Public Utilities Code. MTA is the consolidated successor entity to both the Southern California Rapid Transit District (the “District”) and the Commission. As the consolidated successor entity, MTA succeeded to all powers, duties, rights, obligations, liabilities, indebtedness (bonded or otherwise), immunities, and exemptions of the Commission and the District, including the Commission’s responsibility for planning, engineering, and constructing a county-wide rail transit system. The Commission was authorized, subject to approval by the electorate of the County, to adopt a retail transactions and use tax ordinance, with the revenues of such tax to be used for public transit purposes.

MTA is governed by a 14-member Board of Directors (the “MTA Board”). The MTA Board is composed of the five members of the County of Los Angeles Board of Supervisors, the Mayor of the City of Los Angeles, two public members, and one member of the City Council of the City of Los Angeles, four members who are either a mayor or a member of a city council of a city in the County of Los Angeles (other than the City of Los Angeles) and who have been appointed by the Los Angeles County City Selection Committee, and a nonvoting member appointed by the Governor.

The MTA Board exclusively exercises and discharges the following powers and responsibilities: (i) establishment of overall goals and objectives, (ii) adoption of the aggregate budget for all of its organizational units, (iii) designation of additional municipal bus operators under criteria enumerated in the California Public Utilities Code, (iv) approval of all final rail corridor selections, (v) final approval of labor contracts covering employees of MTA and its organizational units, (vi) establishment of MTA's organizational structure, (vii) conducting hearings and setting fares for the operating organizational units, (viii) approval of transportation zones, (ix) approval of any debt instrument with a maturity date exceeding the end of the fiscal year in which it is issued, (x) approval of benefit assessment districts and assessment rates and (xi) approval of contracts for construction and transit equipment acquisition which exceed \$5,000,000 and making findings in connection with certain procurement decisions.

Collection and Allocation of Measure R Revenues

Collection of the Measure R Sales Tax began on July 1, 2009, and is administered by the State Board of Equalization, which imposes a charge for administration. Such charge is based on the actual costs incurred by the State Board of Equalization in connection with the administration of the collection of the Measure R Sales Tax. In accordance with the Measure R Ordinance, MTA is required to allocate the proceeds of the Measure R Sales Tax as follows:

ALLOCATION OF MEASURE R SALES TAX BY MTA

<u>Uses</u>	<u>Percentage of Allocation</u>
New Rail and/or Bus Rapid Transit Capital Projects	35%
Metrolink Capital Improvement Projects within the County (operations, maintenance, and expansion)	3
Metro Rail Capital - System Improvements, Rail Yards and Rail Cars	2
Carpool Lanes, Highways, Goods Movement, Grade Separations and Soundwalls	20
Rail Operations (new transit project operations and maintenance)	5
Bus Operations (County-wide bus service operations and maintenance)	20
Local Return ⁽¹⁾	<u>15</u>
Total	100%

(1) Fifteen percent of the Measure R Sales Tax is allocated to incorporated cities within the County of Los Angeles (including the Local Agencies) and to the County of Los Angeles for the unincorporated areas thereof on a per capita basis for major street resurfacing, rehabilitation, and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit.

Source: MTA.

The Measure R Ordinance specifies that 15% of the Measure R Sales Tax (the "Local Return") be allocated to incorporated cities within the County of Los Angeles (including the Local Agencies) and to the County of Los Angeles for the unincorporated areas on a per capita basis. The State Board of Equalization, after deducting the costs of administering the Measure R Sales Tax, has agreed to remit all Measure R Sales Tax revenues to the trustee for the MTA's outstanding bond issues that are secured by Measure R Sales Tax revenues (collectively, the "MTA Bonds"). Such trustee will thereafter immediately disburse the Local Return to the MTA. The Local Return does not serve as security for any of the MTA Bonds.

Currently, apportionments of the Local Return are being made to 87 cities and the County of Los Angeles for the unincorporated areas (each, a "Jurisdiction" and, collectively, the "Jurisdictions"). The Local Return allocations to the Jurisdictions are based on the population shares from the projected populations as derived from annual estimates made by the California State Department of Finance. The projected populations are revised annually in the formula allocation procedure established by the MTA Board. Before any Jurisdiction can receive any allocations of the Local Return, such Jurisdiction must sign an assurances and understanding agreement with MTA. Local Return funds are then automatically allocated monthly on a per capita basis to such Jurisdiction. In addition, to continue receiving Local

Return funds, each the governing body of each Jurisdiction must annually adopt a resolution approving such Jurisdiction’s five year plan regarding the expenditure of its Measure R Revenues and demonstrate its compliance with the required uses of its Measure R Revenues pursuant to an annual audit.

Measure R Revenues

Historical Measure R Revenues – City of Azusa. The following table sets forth the portion of the Measure R Revenues historically allocated by MTA to the City of Azusa for fiscal years 2010-11 through 2014-15.

**PORTION OF MEASURE R REVENUES
HISTORICALLY ALLOCATED TO THE CITY OF AZUSA
Fiscal Years 2010-11 through 2014-15**

[CITY OF AZUSA TO CONFIRM AND COMPLETE WITH FY 2015 DATA:]

Fiscal Year	Portion of Measure R Revenues Allocated	Percent Change from Prior Fiscal Year
2010-11	\$410,317	--
2011-12	444,437	8.32%
2012-13	472,462	6.31
2013-14	499,941	5.82
2014-15	_____	_____

Source: City of Azusa Comprehensive Annual Financial Reports for the applicable periods.

The City of Azusa is unable to predict whether annual Measure R Revenues will increase or decrease or what portion, if any, of such Measure R Revenues it will receive. For a summary of historical taxable retail sales within the City of Azusa, see the table entitled “Taxable Retail Sales” in “APPENDIX B – GENERAL INFORMATION REGARDING PARTICIPATING LOCAL AGENCIES – CITY OF AZUSA.”

Measure R Fund Financial Statements – City of Azusa. The following tables present the Balance Sheet and the Schedule of Revenues, Expenditures, and Fund Balances relating to the City of Azusa’s Measure R Fund for the fiscal years ended June 30, 2014, and June 30, 2015.

BALANCE SHEET
CITY OF AZUSA MEASURE R FUND
For the Fiscal Years Ended June 30, 2014, and June 30, 2015
[CITY OF AZUSA TO COMPLETE FY 2015 DATA:]

	Fiscal Year <u>2014</u>	Fiscal Year <u>2015</u>
ASSETS:		
Pooled cash and investments	\$1,394,948	
Receivables:		
Accounts	907	
Accrued interest	<u>247</u>	
Total Assets	\$1,396,102	
LIABILITIES:		
Accounts payable	\$ 21	
Accrued liabilities	<u>7,998</u>	
Total liabilities	\$8,019	
FUND BALANCE:		
Restricted for Capital Projects	<u>\$1,388,083</u>	
Total Fund Balances	\$1,388,083	
Total Liabilities and Fund Balances	\$1,396,102	

Source: City of Azusa Comprehensive Annual Financial Reports for the applicable periods.

SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCES
CITY OF AZUSA MEASURE R FUND
For the Fiscal Years Ended June 30, 2014, and June 30, 2015
[CITY OF AZUSA TO COMPLETE FY 2015:]

	Fiscal Year <u>2013-14</u>	Fiscal Year <u>2014-15</u>
REVENUES		
Taxes	\$499,941	
Use of Money and Property	6,240	
Contributions	<u>4,795</u>	
Total Revenues	\$510,985	
EXPENDITURES		
Public Works	<u>217,329</u>	
Total Expenditures	\$217,329	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$293,656	
OTHER FINANCING SOURCES (USES)	<u>0</u>	
Fund Balance (deficit), Beginning of Year (July 1)	\$1,094,427	
Fund Balance (deficit), End of Year (June 30)	\$1,388,083	

Source: City of Azusa Comprehensive Annual Financial Reports for the applicable periods.

Historical Measure R Revenues – City of San Fernando. The following table sets forth the portion of the Measure R Revenues historically allocated by MTA to the City of San Fernando for fiscal years 2010-11 through 2014-15.

**PORTION OF MEASURE R REVENUES
HISTORICALLY ALLOCATED TO THE CITY OF SAN FERNANDO
Fiscal Years 2010-11 through 2014-15**

[CITY OF SAN FERNANDO TO CONFIRM AND COMPLETE WITH FY 2015 DATA:]

Fiscal Year	Portion of Measure R Revenues Allocated	Percent Change from Prior Fiscal Year
2010-11	212,085	--
2011-12	229,105	8.03%
2012-13	243,552	6.31
2013-14	252,975	3.87
2014-15	_____	_____

Source: City of San Fernando Comprehensive Annual Financial Reports for the applicable periods.

The City of San Fernando is unable to predict whether annual Measure R Revenues will increase or decrease or what portion, if any, of such Measure R Revenues it will receive. For a summary of historical taxable retail sales within the City of San Fernando, see the table entitled “Taxable Retail Sales” in “APPENDIX B – GENERAL INFORMATION REGARDING PARTICIPATING LOCAL AGENCIES – CITY OF SAN FERNANDO.”

Measure R Fund Financial Statements – City of San Fernando. The following tables present the Balance Sheet and the Schedule of Revenues, Expenditures, and Fund Balances relating to the City of San Fernando’s Measure R Fund for the fiscal years ended June 30, 2014, and June 30, 2015.

**BALANCE SHEET
CITY OF SAN FERNANDO MEASURE R FUND
For the Fiscal Years Ended June 30, 2014, and June 30, 2015**

[CITY OF SAN FERNANDO TO COMPLETE FY 2015:]

	Fiscal Year 2014	Fiscal Year 2015
ASSETS:		
Cash and investments	\$560,226	
Receivables	0	
Total Assets	\$560,226	
LIABILITIES:		
Accounts payable	\$11,200	
Accrued liabilities	341	
Total liabilities	\$11,541	
FUND BALANCE:		
Restricted for: Transportation	\$548,685	
Total Fund Balances	\$548,685	
Total Liabilities and Fund Balances	\$560,226	

Source: City of San Fernando Comprehensive Annual Financial Reports for the applicable periods.

**SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCES
CITY OF SAN FERNANDO MEASURE R FUND
For the Fiscal Years Ended June 30, 2014, and June 30, 2015**

[CITY OF SAN FERNANDO TO COMPLETE FY 2015:]

	Fiscal Year <u>2013-14</u>	Fiscal Year <u>2014-15</u>
REVENUES		
Taxes	\$252,975	
Investment Earnings	<u>227</u>	
Total Revenues	\$253,202	
EXPENDITURES		
Current: Public Works	<u>\$18,834</u>	
Total Expenditures	\$18,834	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$234,368	
OTHER FINANCING SOURCES (USES)		
Transfers In	\$90	
Transfers Out	<u>0</u>	
Total Other Financing Sources (Uses)	\$90	
Fund Balance (deficit), Beginning of Year (July 1)	\$314,227	
Fund Balance (deficit), End of Year (June 30)	\$548,685	

Source: City of San Fernando Comprehensive Annual Financial Reports for the applicable periods.

MAXIMUM ANNUAL DEBT SERVICE COVERAGE

The following table sets forth the maximum annual debt service coverage with respect to the Certificates. The maximum annual debt service coverage is based upon Measure R Revenues allocated to each Local Agency for fiscal year 2014-15. See “MEASURE R REVENUES; MEASURE R RECEIPTS.” Measure R Receipts constitute the portion of the Measure R Revenues allocated by the Commission to each Local Agency pursuant to the Measure R Ordinance, to the extent the applicable Project constitutes a Measure R Project, for deposit in such Local Agency’s Pledged Tax Fund in accordance with the applicable 2016 Installment Sale Agreement. The City of Azusa’s entire Project constitutes a Measure R Project and the City of San Fernando’s entire Project constitutes a Measure R Project. See “THE LOCAL AGENCIES AND THE PROJECTS – The Projects.”

**MAXIMUM ANNUAL DEBT SERVICE COVERAGE
BASED UPON FISCAL YEAR 2015-16 MEASURE R REVENUES
ALLOCATED TO THE CITY OF AZUSA**

2015-16 Measure R Revenues ⁽¹⁾	Maximum Annual Debt Service ⁽²⁾	Debt Service Coverage ⁽²⁾
_____ \$	_____ \$	_____ _..x

(1) Source: City of Azusa.
(2) Source: Underwriter.

**MAXIMUM ANNUAL DEBT SERVICE COVERAGE
BASED UPON FISCAL YEAR 2015-16 MEASURE R REVENUES
ALLOCATED TO THE CITY OF SAN FERNANDO**

2015-16 Measure R Revenues ⁽¹⁾	Maximum Annual Debt Service ⁽²⁾	Debt Service Coverage ⁽²⁾
\$	\$	_._X

(1) Source: City of San Fernando.

(2) Source: Underwriter.

[CERTIFICATE INSURANCE POLICY]

[The following information has been furnished by [INSURER] (referred to herein as the "Certificate Insurer" or "_____") for use in this Official Statement. Reference is made to Appendix E for a specimen of the Certificate Insurance Policy.]

[INSURANCE DISCLOSURE TO FOLLOW IF APPLICABLE]

RISK FACTORS

Investment in the Certificates involves risks that may not be appropriate for certain investors. The following is a discussion of certain risk factors that should be considered, in addition to other matters set forth herein, in evaluating the Certificates for investment. The information set forth below does not purport to be an exhaustive listing of the risks and other considerations that may be relevant to an investment in the Certificates. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Installment Sale Payments Constitute Limited Obligations

The obligation of each Local Agency to make Installment Sale Payments under the applicable 2016 Installment Sale Agreement is a special obligation of such Local Agency and does not constitute a debt of such Local Agency, any other Local Agency, the Authority, the State, or any political subdivision of the State within the meaning of any constitutional or statutory debt limitation or restriction, and does not constitute an obligation for which such Local Agency, any other Local Agency, the State, or any political subdivision of the State is obligated to levy or pledge any form of taxation or for which such Local Agency, any other Local Agency, the State, or any political subdivision of the State has levied or pledged any form of taxation. The Authority has no taxing power.

Passive Revenue Source

The payment of principal and interest with respect to the Certificates is secured solely by a pledge by each Local Agency of such Local Agency's Measure R Receipts, and certain funds under the 2016 Installment Sale Agreements. The Local Agencies do not have any control over the amount of Measure R Receipts to be received by any such Local Agency because (1) Measure R Revenues constitute revenues of the Commission derived from a retail transactions and use tax imposed in the County pursuant to the Measure R Sales Tax Act and the Measure R Ordinance, the number of transactions and revenues generated under which tax a Local Agency has no ability to control, and Measure R Receipts are allocated by the Commission to such Local Agency only after the payment of all Senior Lien Measure R Obligations, and (2) the Local Agencies do not have any control over the collection or distribution procedures related to any State taxes or local retail transactions and use taxes.

There can be no assurance that Measure R Receipts will be available in the amounts estimated in this Official Statement. A decrease in Measure R Revenues would adversely affect the amount and/or availability of Measure R Receipts. In addition, each Local Agency must continuously meet certain requirements set forth in the Measure R Ordinance in order to be eligible to receive Measure R Revenues from the Commission and apply Measure R Receipts to pay the applicable Installment Sale Payments. Such requirements include the annual adoption by each Local Agency of a resolution approving such Local Agency's Five-Year Capital Improvement Plan, participation by such Local Agency in the TUMF and MSHCP Programs, and compliance by such Local Agency with a maintenance of effort requirement. See "MEASURE R REVENUES; MEASURE R RECEIPTS."

Allocation of Measure R Revenues to the Local Agencies is Subordinate to Payment of Senior Lien Measure R Obligations

The Board of Equalization administers collection of the Measure R Sales Tax. The Commission and the Board of Equalization have entered into an agreement for State administration of district transactions and use taxes to authorize payment of Measure R Revenues directly to the Measure R Revenues Trustee, as trustee under the Measure R Revenues Indenture. The Board of Equalization, after deducting amounts payable to itself, is required to remit the balance of amounts received from the

Measure R Sales Tax directly to the Measure R Revenues Trustee. The Measure R Revenues Trustee is required to apply the Measure R Revenues to make deposits to the funds and accounts established under the Measure R Revenues Indenture to pay the Senior Lien Bonds and any Parity Obligations and to transfer the remaining amounts to make payments with respect to any Subordinate Obligations and Swap Agreements. All payments with respect to the Senior Lien Bonds, Parity Obligations, Subordinate Obligations, and the Swap Agreements will be made from Measure R Revenues before any remaining Measure R Revenues will be released by the Measure R Revenues Trustee and transferred to the Commission for allocation by the Commission for use for any purpose contemplated by the Measure R Ordinance, including, without limitation, the allocation of Measure R Revenues to the Local Agencies. The Measure R Ordinance provides that not more than \$975,000,000 in aggregate principal amount of bonds or other evidences of indebtedness issued by the Commission and secured by Measure R Revenues may be outstanding at any one time. See “MEASURE R REVENUES; MEASURE R RECEIPTS.”

Limitations on Use of Measure R Revenues

Not all of the Measure R Revenues allocated by the Commission to the Local Agencies may be applied to pay the Installment Sale Payments. Only the Measure R Receipts may be so applied. See “MEASURE R REVENUES; MEASURE R RECEIPTS.”

Additional Contracts

Subject to certain restrictions, each Local Agency is permitted to enter into other Contracts that constitute additional charges against its Measure R Receipts without the consent of Owners of the Certificates. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Additional Contracts.” To the extent that other Contracts are executed by a Local Agency, the funds available to pay the applicable Installment Sale Payments may be decreased. In addition, there is no limitation on the ability of any Local Agency to execute any Contract at any time to refund any outstanding Contract.

Loss of Tax Exemption

As discussed under the heading “TAX MATTERS,” certain acts or omissions of a Local Agency in violation of its covenants in the Trust Agreement and the applicable 2016 Installment Sale Agreement could result in the interest represented by the Certificates being includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Certificates. Should such an event of taxability occur, the Certificates would not be subject to a special prepayment and would remain outstanding. Should such event of taxability be attributable solely to the acts or omissions of the applicable Local Agency, such violation could result in the interest represented by the Certificates (attributable on a pro rata basis to the applicable Local Agency’s Installment Sale Payments) being includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Certificates.

Limitations on Remedies; Bankruptcy

The rights of the owners of the Certificates are subject to the limitations on legal remedies against municipalities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the owners of the Certificates, and enforcement of each Local Agency’s obligations under its 2016 Installment Sale Agreement, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor’s rights generally, now or hereafter in effect, equity principles that 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

Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State.

Bankruptcy proceedings under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the applicable Local Agency and the Commission, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Certificates 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.

Special Counsel has limited its opinion as to the validity and enforceability of the 2016 Installment Sale Agreements and the Trust Agreement to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation, or modification of the rights of the Owners.

Constitutional Limitations on Appropriations

California law imposes various taxing, revenue, and appropriations limitations on public agencies such as the Local Agencies. See "CONSTITUTIONAL PROVISIONS AFFECTING LOCAL AGENCY REVENUES AND APPROPRIATIONS" herein for a discussion of these limitations.

California State Legislature or Electorate May Change Items Subject to Measure R Sales Tax

With limited exceptions, the Measure R Sales Tax will be imposed upon the same transactions and items subject to the sales tax levied statewide by the State. In the past, the California State Legislature and the State electorate have made changes to the transactions and items subject to the State's general sales tax and, therefore, the Measure R Sales Tax. In 1991, the California State Legislature enacted legislation that expanded the transactions and items subject to the general statewide sales tax to include fuel for aviation and shipping, bottled water, rental equipment, and newspapers and magazines. In 1992, the State electorate approved an initiative that eliminated candy, gum, bottled water, and confectionery items as items subject to the State's general sales tax. In each case, the same changes were made to transactions or items then subject to the 1988 Sales Tax, a tax similar to the Measure R Sales Tax. The State Legislature or the voters within the State, through the initiative process, could change or limit the transactions and items upon which the statewide sales tax and the Measure R Sales Tax are imposed. Any such change or limitation could have an adverse impact on the Measure R Revenues collected and the portion of such Measure R Revenues, and, correspondingly, the portion of Measure R Receipts, allocated by the Commission to the Local Agencies. For a further description of the Measure R Sales Tax, see "MEASURE R REVENUES; MEASURE R RECEIPTS."

Increases in Sales Tax Rate May Cause Declines in Measure R Revenues

The 0.5% Measure R Sales Tax imposed in the County for transportation purposes and administered by the Commission is in addition to the sales or use tax levied statewide by the State. On November 6, 2012, State voters approved Proposition 30, which, among other things, increased the statewide tax rate by one quarter of one percent (increasing the statewide rate from 7.25% to 7.50%) for four years, effective January 1, 2013, through December 31, 2016, and the total County tax to 8%. Additional future increases, if any, in the State sales tax or the sales tax levied in the County could have an adverse effect on consumer spending decisions and consumption, resulting in a reduction of Measure R Revenues.

Increased Internet Use May Reduce Measure R Sales Tax

The increasing use of the Internet to conduct electronic commerce may affect the levels of Measure R Sales Tax receipts. Internet sales of physical products by businesses located in the State, and Internet sales of physical products delivered to the State by businesses located outside of the State are generally subject to the Measure R Sales Tax. It is possible, however, that some of these transactions may avoid taxation either through error or deliberate nonreporting and this potentially reduces the amount of the Measure R Sales Tax. As a result, the more that Internet use increases, along with a failure to collect sales taxes on such Internet purchases, the more Measure R Revenues may be reduced.

No Liability of Authority to Owners

Subject to any provisions in the Trust Agreement to the contrary, the Authority has no obligation or liability to the Owners of the Certificates with respect to the payment when due of the Installment Sale Payments by any Local Agency or with respect to the performance by any Local Agency of other agreements and covenants required to be performed by such Local Agency under the applicable 2016 Installment Sale Agreement or the Trust Agreement, or with respect to the performance by the Trustee of any of the Trustee's rights or obligations under the Trust Agreement.

Economic, Political, Social, and Environmental Conditions

The level of Measure R Sales Tax revenues collected depends on the level of taxable sales transactions within the County, which, in turn, depends on the level of general economic activity in the County and the State generally. Prospective investors are encouraged to evaluate current and prospective economic, political, social, and environmental conditions as part of an informed investment decision. Changes in economic, political, social, or environmental conditions on a local, state, federal, or international level may adversely affect investment risk generally. Such conditional changes may include (but are not limited to) the reduction or elimination of previously available State or federal revenues, fluctuations in business production, consumer prices, or financial markets, unemployment rates, technological advancements, shortages or surpluses in natural resources or energy supplies, changes in law, social unrest, fluctuations in the crime rate, political conflict, acts of war or terrorism, environmental damage and natural disasters.

CONSTITUTIONAL PROVISIONS AFFECTING LOCAL AGENCY REVENUES AND APPROPRIATIONS

Article XIII B of the California Constitution – Limitations on Appropriations

On November 6, 1979, State voters approved Proposition 4, the so-called Gann Initiative, which added Article XIII B to the California Constitution ("Article XIII B"). In June 1990, Article XIII B was amended by the voters through their approval of Proposition 111, which is described below under the caption "Proposition 111." Article XIII B limits the annual appropriations of the State and of any city, county, school district, authority, or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population, and cost of services rendered by the governmental entity. The "base year" for establishing such appropriation limit is fiscal year 1978-79. Increases in appropriations by a governmental entity are also permitted (i) if financial responsibility for providing services is transferred to the governmental entity, or (ii) for emergencies, so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations of an entity of local government subject to Article XIII B include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance, and disability insurance funds. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues, and (iii) certain State subventions received by local governments. Article XIII B includes a requirement that if an entity's revenues in any year exceed the amount permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Article XIII B allows voters to approve a temporary waiver of a government's Article XIII B limit. Such a waiver is often referred to as a "Gann limit waiver." The length of any such waiver is limited to four years. The Gann limit waiver does not provide any additional revenues to a Local Agency or allow such Local Agency to finance additional services.

Installment Sale Payments are subject to the Article XIII B appropriations limitations. **[TO BE COMPLETED BY LOCAL AGENCIES:]** For fiscal year 2014-15, the City of Azusa calculated its appropriations limit at \$_____. For fiscal year 2015-16, the City of Azusa has budgeted its appropriations limit at \$_____. For fiscal year 2014-15, the City of San Fernando calculated its appropriations limit at \$_____. For fiscal year 2015-16, the City of San Fernando has budgeted its appropriations limit at \$_____. Neither the City of Azusa nor the City of San Fernando has ever made appropriations that exceeded the limitation on appropriations under Article XIII B. The impact of the appropriations limit on the financial needs of the Local Agencies in the future is unknown.

Articles XIII C and XIII D of the California Constitution – The Right to Vote on Taxes

On November 5, 1996, State voters approved Proposition 218, entitled the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 added Article XIII C ("Article XIII C") and Article XIII D ("Article XIII D") to the California Constitution, which Articles contain a number of provisions affecting the ability of Local Agencies to levy and collect both existing and future taxes, assessments, fees, and charges. The interpretation and application of certain provisions of Proposition 218 will ultimately be determined by the courts with respect to some of the matters discussed below. It is not possible at this time to predict with certainty the future impact of such interpretations. The provisions of Proposition 218, as so interpreted and applied, may affect the ability of a Local Agency to meet certain obligations.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes, even if deposited in a general fund such as a general fund of a Local Agency, require a two-thirds vote. Article XIII C further provides that any general purpose tax imposed, extended, or increased, without voter approval, after December 31, 1994, may continue to be imposed only if approved by a majority vote in an election, which must be held within two years of November 5, 1996. **[CITIES TO CONFIRM:]** None of the Local Agencies has imposed, extended, or increased any such taxes that are currently in effect without voter approval.

Article XIII C also expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees, and charges, regardless of the date such taxes, assessments, fees, and

charges were imposed. Article XIIC expands the initiative power to include reducing or repealing assessments, fees, and charges, which had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Article XIIC to fees imposed after November 6, 1996, and absent other legal authority could result in the retroactive reduction in any existing taxes, assessments, fees, or charges. No assurance can be given that the voters within the jurisdiction of a Local Agency will not, in the future, approve initiatives which reduce or repeal, or prohibit the future imposition or increase of, local taxes, assessments, fees or charges currently comprising a substantial part of such Local Agency's general fund. "Assessments," "fees," and "charges" are not defined in Article XIIC, and it is unclear whether these terms are intended to have the same meanings for purposes of Article XIIC as for Article XIID described below. If not, the scope of the initiative power under Article XIIC potentially could include any general fund local tax, assessment, or fee not received from or imposed by the federal or State government or derived from investment income. **[CITIES TO CONFIRM:]** None of the Local Agencies levy any property related "fees" or "charges" that it considered are subject to challenge under Article XIIC.

The voter approval requirements of Proposition 218 reduce the flexibility of a Local Agency to raise revenues for its general fund, and no assurance can be given that such Local Agency will be able to impose, extend, or increase taxes in the future to meet increased expenditure needs.

Article XIID also added several new provisions relating to how Local Agencies may levy and maintain "assessments" for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments that exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that the assessment must confer a "special benefit," as defined in Article XIID, over and above any general benefits conferred, and (iii) a majority protest procedure that involves the mailing of a 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. "Assessment" in Article XIID is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property and applies to landscape and maintenance assessments for open space areas, street medians, street lights, and parks.

In addition, Article XIID added several provisions affecting "fees" and "charges," defined for purposes of Article XIID to mean "any levy other than an *ad valorem* tax, a special tax, or an assessment, imposed by [a local government] upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges that (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) are for a service not actually used by, or immediately available to, the owner of the property in question, or (iv) are used for general governmental services, including police, fire, ambulance, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Depending on the interpretation of what constitutes a "property related fee" under Article XIID, there could be future restrictions on the ability of a Local Agency to charge its respective enterprise funds for various services provided. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The Local Agencies must then hold a hearing upon the proposed imposition or increase and, if written protests against the proposal are presented by a majority of the owners of the identified parcels, a Local Agency may not impose or increase the fee or charge. Moreover, except for fees or charges for wastewater, water, and refuse collection services, or fees for electrical and gas service, which fees or charges are not treated as "property related" for purposes of Article XIID, no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of a Local Agency, two-thirds voter approval by the electorate residing in the affected area.

[CITIES TO CONFIRM:] Neither the City of Azusa nor the City of San Fernando believes that the provisions of Article XIII C or Article XIII D will directly impact the Measure R Receipts available to such Local Agency to make its Installment Sale Payments required pursuant to the applicable 2016 Installment Sale Agreement.

Future Initiatives

Article XIII B, Article XIII C, and Article XIII D were each adopted as measures that qualified for the ballot pursuant to the State's Constitutional initiative process. From time to time other initiative measures could be adopted, affecting the ability of each Local Agency to increase or apply revenues and to make or increase appropriations or the ability of the Commission to levy, collect, or allocate Measure R Sales Tax, all of which could adversely impact the amount of Measure R Revenues received by such Local Agency.

THE AUTHORITY

The Authority is a joint powers agency organized pursuant to a Joint Powers Agreement among a number of California counties, cities, and special districts entered into pursuant to the provisions relating to the joint exercise of powers contained in Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code.

Since its formation in 1988, the Authority has issued more than **[CONFIRM/UPDATE:]** \$50 billion in tax-exempt financings. Any obligation, other than the obligations represented by the Certificates, previously or to be issued or otherwise incurred by the Authority will be secured by instruments separate and apart from the Trust Agreement and the 2016 Installment Sale Agreements. The holders of such other obligations of the Authority will have no claim on the security for the Certificates and the Owners will have no claim on the security of such other obligations issued by the Authority.

The Authority is governed by a seven-member commission and is currently comprised of three members from the California State Association of Counties, two members from the League of California Cities, one member from the City of Sacramento, and one member from the County of Sacramento (collectively, the "Commissioners"). Neither the Authority nor its Commissioners or officers have any obligations or liability to the Owners of the Certificates with respect to the payment of Installment Sale Payments by any Local Agency under its 2016 Installment Sale Agreement, or with respect to the performance of any Local Agency of other covenants made by such Local Agency in the applicable 2016 Installment Sale Agreement.

TAX MATTERS

[BOND COUNSEL TO CONFIRM/REVISE:] In the opinion of Orrick, Herrington & Sutcliffe LLP ("Special Counsel"), Special Counsel to each Local Agency, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the interest on the Installment Sale Payments paid by the applicable Local Agency under the applicable 2016 Installment Sale Agreement and received by the owners of the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Special Counsel is of the further opinion that such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Special Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Certificates is less than the amount to be paid at maturity of such Certificates (excluding amounts stated to be interest and payable at least annually over the term of such Certificates), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Owner thereof, is treated as the interest on the Installment Sale Payments, which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Certificates is the first price at which a substantial amount of such maturity of the Certificates is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). The original issue discount with respect to any maturity of the Certificates accrues daily over the term to maturity of such Certificates on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Certificates to determine taxable gain or loss upon disposition (including sale, prepayment, or payment on maturity) of such Certificates. Owners of the Certificates should consult their own tax advisors with respect to the tax consequences of ownership of Certificates with original issue discount, including the treatment of Owners who do not purchase such Certificates in the original offering to the public at the first price at which a substantial amount of such Certificates is sold to the public.

Certificates purchased, whether at original execution and delivery or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier repayment date) (“Premium Certificates”) will be treated as having amortizable premium. No deduction is allowable for the amortizable premium in the case of obligations, like the Premium Certificates, the interest on the Installment Sale Payments of which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an Owner’s basis in a Premium Certificate, will be reduced by the amount of amortizable premium properly allocable to such Owner. Owners of Premium Certificates should consult their own tax advisors with respect to the proper treatment of amortizable premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of the interest on the Installment Sale Payments. The Authority and each Local Agency has made certain representations and covenanted to comply with certain restrictions, conditions, and requirements designed to ensure that the interest on the Installment Sale Payments will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in the interest on the Installment Sale Payments being included in gross income for federal income tax purposes, possibly from the date of original delivery of the Certificates. The opinion of Special Counsel assumes the accuracy of these representations and compliance with these covenants. Special Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Special Counsel’s attention after the date of delivery of the Certificates may adversely affect the value of, or the tax status of the interest on, the Installment Sale Payments. Accordingly, the opinion of Special Counsel is not intended to, and may not, be relied upon in connection with any such actions, events, or matters.

Although Special Counsel is of the opinion that the interest on the Installment Sale Payments is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on the Installment Sale Payments may otherwise affect an Owner’s federal, state, or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Owner or the Owner’s other items of income or deduction. Special Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause the interest on the Installment Sale Payments to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. For example, the Obama Administration's budget proposals in recent years have proposed legislation that would limit the exclusion from gross income of interest on the Installment Sale Payments to some extent for high-income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Certificates. Prospective purchasers of the Certificates should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Counsel is expected to express no opinion.

The opinion of Special Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Special Counsel's judgment as to the proper treatment of the Certificates for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Special Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or any Local Agency, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof, or the enforcement thereof by the IRS. The Authority and the Local Agencies have covenanted, however, to comply with the requirements of the Code.

Special Counsel's engagement with respect to the Certificates ends with the delivery of the Certificates and, unless separately engaged, Special Counsel is not obligated to defend the Authority, the Local Agencies, or the Owners regarding the tax-exempt status of the Certificates in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority, the Local Agencies, and their appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the Authority or the Local Agencies legitimately disagree may not be practicable. Any action of the IRS, including but not limited to selection of the Certificates for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues may affect the market price for, or the marketability of, the Certificates, and may cause the Authority, the Local Agencies, or the Owners to incur significant expense.

RATING[S]

[It is anticipated that Standard & Poor's Ratings Service, a Standard & Poor's Financial Services LLC business ("S&P") will assign its municipal bond rating of "___" to the Certificates, based on the issuance of the Certificate Insurance Policy by the Certificate Insurer at the time of delivery of the Certificates. In addition,] S&P has assigned an underlying municipal bond rating of "___" to the Certificates. There is no assurance that [any] such rating[s] will be in effect for any given period of time or that either or [both] such rating[s] will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect on the market price of the Certificates. Such rating[s] reflect only the views of the rating agency furnishing such ratings and an explanation of the significance of a rating may be obtained only from such rating agency.

CONTINUING DISCLOSURE

[EACH CITY, WITH ASSISTANCE FROM UNDEWRITER AND FINANCIAL ADVISOR, WILL PROVIDE DISCLOSURE REGARDING ITS COMPLIANCE WITH CONTINUING DISCLOSURE REQUIREMENTS DURING THE LAST FIVE YEARS].

UNDERWRITING

The Certificates are being purchased by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”). The Underwriter has agreed to purchase the Certificates at a price of \$_____ (which represents the aggregate principal amount represented by the Certificates, [plus/less] a net original issue [premium/discount] of \$_____, less an Underwriter’s discount of \$_____). The contract of purchase pursuant to which the Certificates are being purchased by the Underwriter provides that the Underwriter will purchase all of the Certificates if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the contract of purchase. The Underwriter may offer and sell the Certificates to certain dealers and dealer banks and banks acting as agent and others at prices lower than the public offering prices stated on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriter. Although the Underwriter expects to maintain a secondary market in the Certificates after the initial offering, no guaranty can be made that such a market will develop or be maintained by the Underwriter or others.

NO LITIGATION

The Authority

[AUTHORITY TO CONFIRM/REVISE:] To the knowledge of the Authority, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental agency, or public board or body, pending or threatened seeking to restrain or enjoin the execution, delivery, or sale of the Certificates, or in any way contesting or affecting any proceedings of the Authority taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Certificates, the validity or enforceability of the documents executed by the Authority in connection with the Certificates, the completeness or accuracy of this Official Statement, or the existence or powers of the Authority relating to the sale of the Certificates.

The Local Agencies

[CITY OF AZUSA TO CONFIRM/REVISE:] The City of Azusa will certify that, to the best of its knowledge, and except for its Validation Action, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the City of Azusa, seeking to restrain or enjoin the execution or delivery of the Certificates, the Trust Agreement, or the applicable 2016 Installment Sale Agreement, or in any way contesting or affecting the validity of the foregoing or any proceeding of the City of Azusa taken with respect to any of the foregoing or that will materially affect the ability of the City of Azusa to pay its Installment Sale Payments when due.

[CITY OF SAN FERNANDO TO CONFIRM/REVISE:] The City of San Fernando will certify that, to the best of its knowledge, and except for its Validation Action, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the City of San Fernando, seeking to restrain or enjoin the execution or delivery of the Certificates, the Trust Agreement, or the applicable 2016 Installment Sale Agreement, or in any way contesting or affecting the validity of the foregoing or any proceeding of the City of San Fernando taken with respect to any of the foregoing or that will materially affect the ability of the City of San Fernando to pay its Installment Sale Payments when due.

CERTAIN LEGAL MATTERS

The validity and enforceability of the 2016 Installment Sale Agreements and the Trust Agreement and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the Local Agencies. A complete copy of the proposed form of Special Counsel opinion is contained in Appendix C hereto. Special Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Authority by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, for the City of Azusa by Best Best & Krieger LLP, Irvine, California, its City Attorney, for the City of San Fernando by Olivarez Madruga, LLP, Los Angeles, California, its City Attorney, and for the Underwriter by Goodwin Procter LLP, Los Angeles, California, as Underwriter's Counsel.

[Remainder of Page Intentionally Left Blank]

MISCELLANEOUS

The purpose of this Official Statement is to supply information to prospective buyers of the Certificates. Quotations from and summaries and explanations of the Certificates and other documents contained herein do not purport to be complete and reference is made to said documents for full and complete statements of their provisions.

This Official Statement and its distribution have been duly authorized and approved by the Authority and each Local Agency.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY,
as agent for and on behalf of each Local Agency

By: _____
Authorized Signatory

APPENDIX A
SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

[BOND COUNSEL TO PROVIDE SUMMARY OF LEGAL DOCUMENTS]

APPENDIX B

GENERAL INFORMATION REGARDING PARTICIPATING LOCAL AGENCIES

The following information regarding the Local Agencies is presented for informational purposes only. The Certificates do not constitute a general obligation debt of any Local Agency, and no Local Agency has pledged its full faith and credit to the repayment of the Certificates. Neither the General Fund nor the taxing power of any Local Agency, the County of Los Angeles, the State of California, or any political subdivision of the State of California is pledged to the payment of the Installment Sale Payments or the Certificates. The Certificates are payable solely from the sources described in the Official Statement.

CITY OF AZUSA

[ALL INFORMATION TO BE PROVIDED/UPDATED:]

General

The City of Azusa, California (the “City of Azusa”), is a municipal corporation existing under the laws of the State of California (the “State”). The City is located in the greater metropolitan Los Angeles area, approximately 24 miles east of downtown Los Angeles. The economy represents a diverse blend of industrial, commercial, agricultural and residential development.

Government

The City was incorporated as a general law city in 1898, and is administered by a Council-Administrator form of government. The four City Council members are elected at large for four-year terms. Elections are staggered at two-year intervals. The office of Mayor is elected at-large for a two-year term. The election coincides with those of the Council members.

The City Council members and the expiration dates of their respective terms are as follows

[CITY OF AZUSA TO COMPLETE TABLE:]

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Joseph R. Rocha	Mayor	
Edward J. Alvarez	Mayor Pro Tem	
Angel Carrillo	Council Member	
Uriel E. Macias	Council Member	
Robert Gonzales	Council Member	

Labor Force and Unemployment

According to statistics compiled by the California Employment Development Department, as of October 16, 2015, the City of Azusa had a labor force of approximately 23,400 workers and an unemployment rate of approximately 4.6% and, as of the same date, the County had a labor force of approximately 5,003,500 and an unemployment rate of approximately 6.2%.

Major Employers

The following table describes the largest employers within the City of Azusa as of June 30, 2015:

**City of Azusa
Largest Employer
As of June 30, 2015**

[CITY OF AZUSA TO COMPLETE TABLE WITH FY 2015 DATA WHEN AVAILABLE:]

<u>Employer</u>	<u>Number of Employees</u>	<u>Percentage of Total City of Azusa Employment</u>
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Totals

Source: City of Azusa Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015.

Property Tax Rates

In June of 1978, California voters approved Proposition 13 (the Jarvis-Gann Initiative), which added Article XIII A to the California Constitution (“Article XIII A”). Article XIII A limits ad valorem taxes on real property to 1% of the full cash value, plus taxes necessary to repay indebtedness approved by the voters prior to July 1, 1978. Voter-approved obligations that impact the residents of the City of Azusa are comprised of debts incurred by the City of Azusa include a retirement tax in the amount for \$0.125 for each \$100 of assessed valuation (collectively, the “City of Azusa Voter-Approved Obligations”). The following table describes the City of Azusa’s direct and overlapping property tax rates for fiscal years 2006 through 2015.

**City of Azusa
Direct and Overlapping Property Tax Rates
Fiscal Years 2006 through 2015**

[CITY OF AZUSA TO COMPLETE TABLE WITH FY 2015 DATA WHEN AVAILABLE:]

<u>Fiscal Year Ended June 30</u>	<u>Article XIII A Basic Tax Rate</u>	<u>City of Azusa’s Share of Basic Tax Rate</u>	<u>Overlapping Rates¹</u>	<u>Total Direct and Overlapping Property Tax Rates</u>
2006	1.00000%	0.14921%	0.25067%	0.39988%
2007	1.00000	0.14921	0.29685	0.44606
2008	1.00000	0.14921	0.27096	0.42017
2009	1.00000	0.14921	0.26319	0.41240
2010	1.00000	0.14921	0.28065	0.42986
2011	1.00000	0.14921	0.30672	0.45593
2012	1.00000	0.14921	0.34233	0.49154
2013	1.00000	0.14921	0.35544	0.50465
2014	1.00000	0.14921	0.35029	0.49950
2015	1.00000	_____	_____	_____

Source: City of Azusa.

Property Tax Levies, Collections, and Delinquencies

In Los Angeles County, property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll becomes tax delinquent on June 30. Such property may thereafter be prepaid by payment of the delinquent taxes plus the delinquency penalty, plus a prepayment penalty of one and one-half percent per month to the time of prepayment. If taxes remain unpaid for a period of five years or more, the property is subject to sale by the Los Angeles County Tax Collector.

In Los Angeles County, property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of one and one-half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer, (2) filing a certificate in the office of the Los Angeles County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (3) filing a certificate of delinquency for record in the Los Angeles 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 taxpayer.

The following table details the City of Azusa's property tax levies and collections for fiscal years 2011 through 2015.

City of Azusa Property Tax Levies and Collections Fiscal Years 2011 through 2015

[CITY OF AZUSA TO COMPLETE TABLE WITH FY 2015 DATA WHEN AVAILABLE:]

Year Ended June 30	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected Within the Fiscal Year of Levy	
		Amount	Percent of Levy
2011	\$3,492,186	\$3,261,283	93.4%
2012	3,447,405	3,192,697	92.6
2013	3,506,941	3,404,604	97.1
2014	3,743,370	3,632,433	97.0
2015	_____	_____	_____

(1) Amounts include City of Azusa property taxes, redevelopment tax increment, and in-lieu vehicle license fees.

Source: City of Azusa Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015.

Assessed Property Values

The following table details the assessed value of the secured and unsecured real property within the City of Azusa for fiscal years 2006 through 2015.

City of Azusa Assessed Value of Taxable Property Fiscal Years 2006 through 2015

[CITY OF AZUSA TO COMPLETE TABLE WITH FY 2015 DATA:]

	Residential Property	Commercial Property	Other	Total Assessed Value
2006	\$1,665,689,906	\$222,919,189	\$ 690,365,185	\$2,578,974,280
2007	1,853,668,928	232,834,227	948,903,799	3,035,406,954
2008	2,039,800,874	252,133,001	935,399,744	3,227,333,619
2009	2,261,284,832	265,286,427	1,020,131,857	3,546,703,116
2010	2,149,538,213	282,164,446	1,008,117,565	3,439,820,224
2011	1,989,337,299	285,688,418	967,335,236	3,242,358,953
2012	2,006,514,504	284,699,041	907,262,608	3,198,476,153
2013	2,065,151,644	276,567,248	900,529,536	3,242,248,428
2014	2,239,991,812	284,125,347	904,950,465	3,429,067,624
2015				

Source: City of Azusa Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015.

Principal Taxpayers

The following table lists the top ten property taxpayers in the City of Azusa as of June 30, 2015.

City of Azusa Top Ten Property Taxpayers

[CITY OF AZUSA TO COMPELTE TABLE WITH FY 2015 DATA WHEN AVAILABLE:]

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
-----------------	-----------------------------------	---

Total ⁽¹⁾

(1) Totals may not add due to rounding.

Source: City of Azusa Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015.

Outstanding Debt

The City of Azusa uses a variety of tax increment, revenue, and lease indebtedness to finance various capital acquisitions. The outstanding balances for indebtedness during fiscal years 2011 through 2015 are set forth in the following table.

**City of Azusa
Outstanding Debt
Fiscal Years 2011 through 2015
(Amounts expressed in thousands, except Per Capita)**

[CITY OF AZUSA TO COMPLETE TABLE WITH FY 2015 DATA:]

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities					Total Primary Governmental Outstanding Debt
	Loans	Certificate of Participation	Tax Allocation Bonds	Taxable Pension Funding Bonds	Total Governmental Activities	Loans	Certificate of Participation	Revenue Bonds	Total Business- Type Activities	
2011	\$ 9,685,015	\$3,255,000	\$54,768,014	\$6,180,000	\$73,888,029	\$ 0	\$25,690,000	\$54,275,000	\$79,985,000	\$153,853,029
2012	10,005,461	3,025,000	0	5,555,000	18,585,461	5,630,000	3,070,000	68,500,000	77,200,000	95,785,461
2013	10,403,644	2,785,000	0	4,855,000	18,043,644	5,405,000	2,540,000	68,180,000	76,125,000	94,168,644
2014	10,700,658	2,540,000	0	4,075,000	17,315,656	5,080,000	1,985,000	67,380,000	74,445,000	91,760,656
2015										

Source: City of Azusa Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015.

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Taxable Retail Sales

Consumer spending in calendar year 2013 resulted in \$462,152,000 in taxable sales in the City of Azusa, which is approximately 4% more than in calendar year 2012. The following table describes the total taxable sales in the City of Azusa for calendar years 2009 through 2013.

**City of Azusa
Taxable Retail Sales
Calendar Years 2009 through 2013
(000s omitted)**

<u>Year</u>	<u>Retail and Food Service</u>	<u>Total Outlets</u>
2009	\$273,217	\$348,134
2010	291,830	370,283
2011	331,797	416,943
2012	358,371	444,314
2013	369,992	462,152

Source: California State Board of Equalization.

The following table describes the taxable sales in the City of Azusa for each type of business for calendar year 2013.

**City of Azusa
Taxable Retail Sales for Each Type of Business
Calendar Year 2013
(000s omitted)**

	<u>2013</u>
Motor Vehicle and Parts Dealers	\$ 13,848
Home Furnishings and Appliance Stores	4,239
Bldg. Maint. and Garden Equip. and Supplies	3,067
Food and Beverage Stores	17,465
Gasoline Stations	75,400
Clothing and Clothing Accessories Stores	14,162
General Merchandise Stores	161,028
Food Services and Drinking Places	51,127
Other Retail Group	<u>29,655</u>
Total Retail and Food Services	\$369,992
All Other Outlets	<u>92,161</u>
Total All Outlets ⁽¹⁾	\$462,152

(1) Totals may not add due to rounding.

Source: California State Board of Equalization.

Building Activity

The following table summarizes building activity valuations in the City of Azusa during the fiscal years 2010 through 2014.

**City of Azusa
Building Activity Valuations
Fiscal Years 2010 through 2014
(000s omitted)**

[CITY OF AZUSA TO COMPLETE TABLE:]

Fiscal Year	2010	2011	2012	2013	2014
Residential Valuation					
Commercial Valuation					
Total Valuation					

Source: City of Azusa.

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CITY OF SAN FERNANDO

[ALL INFORMATION TO BE PROVIDED/UPDATED:]

General

The City of San Fernando, California (the “City of San Fernando”), was incorporated on August 31, 1911. It is located in the northeast section of the San Fernando Valley in the County of Los Angeles (the “County”) at the southern foot of the San Gabriel Mountains. This compact community of 2.4 square is completely surrounded by the City of Los Angeles, including the nearby communities of Sylmar, Mission Hills and Pacoima. Major physiographic features located near the city include the San Gabriel Mountains (located approximately 3 miles to the north), the Pacoima Wash (located along the eastern side of the city), Hansen Lake (located 3 miles to the southeast of the city), and the Los Angeles Reservoir (located approximately 4 miles to the northwest).

Government

The City of San Fernando operates under the City Council –City Manager form of government. The City Council members and the expiration dates of their respective terms are as follows:

[CITY OF SAN FERNANDO TO COMPLETE TABLE:]

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Joel Fajardo	Mayor	
Sylvia Ballin	Vice Mayor	
Antonio Lopez	Councilmember	
Robert C. Gonzales	Councilmember	
Jaime Soto	Councilmember	

Labor Force and Unemployment

According to statistics compiled by the California Employment Development Department, as of October 16, 2015, the City of San Fernando had a labor force of approximately 11,600 workers and an unemployment rate of approximately 7.3% and, as of the same date, the County had a labor force of approximately 5,003,500 and an unemployment rate of approximately 6.2%.

Major Employers

The following table describes the largest employers within the City of San Fernando as of June 30, 2015:

City of San Fernando Largest Employer As of June 30, 2015

[CITY OF SAN FERNANDO TO COMPLETE TABLE WITH FY 2015 DATA:]

<u>Employer</u>	<u>Number of Employees</u>	<u>Percentage of Total City of San Fernando Employment</u> %
Totals		%

Source: City of San Fernando Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015.

Property Tax Rates

In June of 1978, California voters approved Proposition 13 (the Jarvis-Gann Initiative), which added Article XIII A to the California Constitution (“Article XIII A”). Article XIII A limits ad valorem taxes on real property to 1% of the full cash value, plus taxes necessary to repay indebtedness approved by the voters prior to July 1, 1978. Voter-approved obligations that impact the residents of the City of San Fernando are comprised of debts incurred by the City of San Fernando include a retirement tax in the amount for \$0.125 for each \$100 of assessed valuation (collectively, the “City of San Fernando Voter-Approved Obligations”). The following table describes the City of San Fernando’s direct and overlapping property tax rates for fiscal years 2006 through 2015.

City of San Fernando Direct and Overlapping Property Tax Rates Fiscal Years 2006 through 2015

[CITY OF SAN FERNANDO TO COMPLETE TABLE WITH FY 2015 DATA:]

<u>Fiscal Year Ended June 30</u>	<u>Article XIII A Basic Tax Rate</u>	<u>City of San Fernando’s Share of Basic Tax Rate ⁽¹⁾</u>	<u>Redevelopment Rate ⁽²⁾</u>	<u>Total Direct and Overlapping Property Tax Rates ⁽³⁾</u>
2006	1.00000%	0.4298%	0.2904%	0.6961%
2007	1.00000	0.4269	0.2568	0.6874
2008	1.00000	0.4298	0.2887	0.6794
2009	1.00000	0.4298	0.2886	0.6831
2010	1.00000	0.4298	0.2885	0.7308
2011	1.00000	0.4298	0.2879	0.7352
2012	1.00000	0.4298	0.2879	0.7317
2013	1.00000	0.4298	--	0.7369
2014	1.00000	0.4021	--	0.3919
2015	1.00000	_____	--	

(1) City of San Fernando’s share of 1% levy is based on the City’s share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.

(2) Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABXI 26 eliminated Redevelopment from the State of California for the Fiscal year 2012-13.

(3) Because basic and debt rates vary by tax rate area individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Source: City of San Fernando Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015.

Property Tax Levies, Collections, and Delinquencies

In Los Angeles County, property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll becomes tax delinquent on June 30. Such property may thereafter be prepaid by payment of the delinquent taxes plus the delinquency penalty, plus a prepayment penalty of one and one-half percent per month to the time of prepayment. If taxes remain unpaid for a period of five years or more, the property is subject to sale by the Los Angeles County Tax Collector.

In Los Angeles County, property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of one and one-half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer, (2) filing a certificate in the office of the Los Angeles County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (3) filing a certificate of delinquency for record in the Los Angeles 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 taxpayer.

The following table details the City of San Fernando's property tax levies and collections for fiscal years 2011 through 2015.

**City of San Fernando
Property Tax Levies and Collections
Fiscal Years 2011 through 2015**

[CITY OF SAN FERNANDO TO COMPLETE TABLE WITH FY 2015 DATA:]

Year Ended June 30	Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of Levy	
	Fiscal Year	Amount ⁽¹⁾	Percent of Levy	
2011	\$ 9,693,186	\$11,146,361	114.99%	
2012	10,760,744	10,622,934	98.72	
2013	5,612,092	4,501,185	80.21	
2014	4,146,929	5,685,040	137.09	
2015	_____	_____	_____	

(1) The collections presented include City of San Fernando property taxes, supplemental assessments, and Redevelopment Agency tax increment (through FY 2012), as well as amounts collected by the City and Redevelopment Agency that were passed through to other agencies.

Source: City of San Fernando Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015.

Assessed Property Values

The following table details the assessed value of the secured and unsecured real property within the City of San Fernando for fiscal years 2006 through 2015.

City of San Fernando Assessed Value of Taxable Property Fiscal Years 2006 through 2015

[CITY OF SAN FERNANDO TO COMPLETE TABLE WITH FY 2015 DATA:]

	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other</u>	<u>Unsecured</u>	<u>Unknown</u>	<u>Total Assessed Value</u>
2006	\$701,620,690	\$204,017,895	\$183,844,983	\$23,324,074	\$ 78,503,390	\$17,719,324	\$1,209,030,356
2007	802,084,309	218,355,001	198,477,251	27,888,079	82,745,213	9,954,395	1,339,513,248
2008	900,052,366	240,006,510	216,095,061	25,461,983	76,947,962	--	1,458,563,882
2009	924,249,336	254,066,849	223,073,530	35,618,563	78,152,281	--	1,515,160,559
2010	834,108,715	256,442,463	258,825,850	32,405,858	112,691,566	--	1,494,474,452
2011	796,187,198	259,924,017	257,840,462	31,707,331	108,228,918	--	1,453,887,926
2012	810,126,651	261,333,463	254,802,905	36,235,560	108,145,377	--	1,470,643,956
2013	832,506,508	264,733,131	258,909,717	44,405,697	121,871,794	--	1,522,426,847
2014	87,056,835	274,616,719	261,395,589	32,346,933	124,425,059	--	1,559,841,135
2015							

Source: City of San Fernando Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015.

Principal Taxpayers

The following table lists the top ten property taxpayers in the City of San Fernando as of June 30, 2015.

City of San Fernando Top Ten Property Taxpayers

[CITY OF SAN FERNANDO TO COMPLETE TABLE WITH FY 2015 DATA:]

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u> %
Total ⁽¹⁾		%

(1) Totals may not add due to rounding.

Source: City of San Fernando Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015.

Outstanding Debt

The City of San Fernando uses a variety of tax increment, revenue, and lease indebtedness to finance various capital acquisitions. The outstanding balances for indebtedness during fiscal years 2011 through 2015 are set forth in the following table.

**City of San Fernando
Outstanding Debt
Fiscal Years 2011 through 2015**

[CITY OF SAN FERNANDO TO COMPLETE TABLE WITH FY 2015 DATA:]

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities
	General Obligation Bonds	Tax Allocation Bonds	Loans	
2011	0	\$11,620,158	\$6,307,069	\$17,927,227
2012	0	0	2,424,692	2,424,692
2013	0	0	1,956,692	1,956,692
2014	0	0	1,572,692	1,572,692
2015				

Source: City of San Fernando Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015.

Taxable Retail Sales

Consumer spending in calendar year 2013 resulted in \$327,436,000 in taxable sales in the City of San Fernando, which is approximately 11% more than in calendar year 2012. The following table describes the total taxable sales in the City of San Fernando for calendar years 2009 through 2013.

**City of San Fernando
Taxable Retail Sales
Calendar Years 2009 through 2013
(000s omitted)**

Year	Retail and Food Service	Total Outlets
2009	\$254,107	\$302,000
2010	229,419	282,436
2011	220,120	280,443
2012	229,828	294,683
2013	253,015	327,436

Source: California State Board of Equalization.

The following table describes the taxable sales in the City of San Fernando for each type of business for calendar year 2013.

**City of San Fernando
Taxable Retail Sales for Each Type of Business
Calendar Year 2013
(000s omitted)**

	2013
Motor Vehicle and Parts Dealers	\$ 28,693
Home Furnishings and Appliance Stores	6,384
Food and Beverage Stores	19,938
Gasoline Stations	18,758
Clothing and Clothing Accessories Stores	10,121
Food Services and Drinking Places	49,504
Other Retail Group	<u>119,617</u> ⁽²⁾
Total Retail and Food Services	\$253,015
All Other Outlets	<u>74,420</u>
Total All Outlets ⁽¹⁾	\$327,436

(1) Totals may not add due to rounding.

(2) Includes General Merchandise Stores.

Source: California State Board of Equalization.

Building Activity

The following table summarizes building activity valuations in the City of San Fernando during the fiscal years 2010 through 2014.

**City of San Fernando
Building Activity Valuations
Fiscal Years 2010 through 2014
(000s omitted)**

[CITY OF SAN FERNANDO TO COMPLETE TABLE:]

Fiscal Year	2010	2011	2012	2013	2014
Residential Valuation					
Commercial Valuation					
Total Valuation					

Source: City of San Fernando.

APPENDIX C**PROPOSED FORM OF SPECIAL COUNSEL OPINION**

Upon execution and delivery of the Certificates, Orrick, Herrington & Sutcliffe LLP, Special Counsel to the Local Agencies, proposes to render their final approving opinion with respect thereto in substantially the following form:

[BOND COUNSEL TO PROVIDE FORM OF OPINION]

APPENDIX D

FORM OF LOCAL AGENCY CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by and between the City of _____ (the “Reporting Local Agency”) and Urban Futures, Inc., in its capacity as dissemination agent (the “Dissemination Agent”), in connection with the execution and delivery of the California Communities Local Measure R Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2016 (T.R.I.P. – Total Road Improvement Program), in an aggregate principal amount of \$_____ (the “Certificates”). The Certificates are being executed and delivered Wilmington Trust, N.A., as trustee (the “Trustee”), pursuant to the provisions of that certain Trust Agreement, dated as of _____ 1, 2016 (the “Trust Agreement”), by and among the California Statewide Communities Development Authority (the “Authority”), the Trustee, and the Reporting Local Agency, in order to provide funds to finance the acquisition, construction, and improvement of certain public improvements within the jurisdiction of the Reporting Local Agency. The Reporting Local Agency and the Dissemination Agent hereby certify, covenant, and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the parties hereto for the benefit of the holders and beneficial owners of the Certificates and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) promulgated under the Securities and Exchange Act of 1934.

Section 2. Definitions. In addition to the definitions set forth in the Trust Agreement and in the 2016 Installment Sale Agreement, dated as of _____ 1, 2016 (the “2016 Installment Sale Agreement”), by and between the Authority and the Reporting Local Agency, which apply to any capitalized terms used in this Disclosure Agreement, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the Reporting Local Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“*Annual Report Date*” shall mean the date in each year that is nine (9) months after the end of the Reporting Local Agency’s fiscal year, the end of which, as of the date of this Disclosure Agreement, is June 30.

[“*Certificate Insurer*” shall mean _____, a _____ insurance company, or any successor thereto or assignee thereof.]

“*Dissemination Agent*” shall mean, initially, Urban Futures, Inc., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent that is so designated in writing by the Reporting Local Agency and has filed with the then-current Dissemination Agent a written acceptance of such designation.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board.

“*Official Statement*” means the Official Statement dated _____, 2016, relating to the Certificates.

“*Participating Underwriter*” shall mean Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*SEC*” shall mean the Securities and Exchange Commission.

Section 3. Provision of Annual Reports.

(a) The Reporting Local Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing [**CONFIRM:**] March 31, 2016, provide to MSRB [and the Certificate Insurer] an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 calendar days prior to said date, the Reporting Local Agency shall provide its Annual Report to the Dissemination Agent, if such Dissemination Agent is a different entity than the Reporting Local Agency. The Annual Report must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as is prescribed by MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that any audited financial statements of the Reporting Local Agency may be submitted separately from the balance of the Annual Report, and not later than the date required above for the filings of the Annual Report. If the Reporting Local Agency’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The Reporting Local Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished hereunder. The Dissemination Agent may conclusively rely upon such certification of the Reporting Local Agency and shall have no duty or obligation to review such Annual Report.

(b) If the Reporting Local Agency is unable to provide to MSRB an Annual Report by the date required in subsection (a), the Reporting Local Agency shall send to MSRB a notice in substantially the form attached as Exhibit A. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB.

(c) The Dissemination Agent shall:

1. provide any Annual Report received by it to MSRB by the date required in subsection (a);
2. file a report with the Reporting Local Agency and the Trustee (if the Dissemination Agent is other than the Trustee) certifying that the Annual Report has been provided to MSRB pursuant to this Disclosure Agreement and stating the date it was provided; and
3. take any other actions mutually agreed upon between the Dissemination Agent and the Reporting Local Agency.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the Reporting Local Agency, which include information regarding the funds and accounts of the Reporting Local Agency, if any, 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 such audited financial statements are not available at the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The following information with respect to the Reporting Local Agency and the Certificates for the fiscal year to which the Annual Report relates, which information may be provided by its inclusion in the audited financial statements of the Reporting Local Agency for such fiscal year described in subsection (a) above:

1. Principal amount of the Certificates outstanding (including principal amount and years of maturity of Certificates, if any, called for prepayment in advance of maturity) and any bonds or certificates of participation issued or executed and delivered, as applicable, to refund the same.
2. Balance in the funds and accounts established under the Trust Agreement or the 2016 Installment Sale Agreement.
3. If the amount on deposit in the Reserve Subaccount is not equal to the Reserve Fund Requirement, the amount of the delinquency or surplus, as applicable.
4. A description of the status of construction of the Reporting Local Agency's Project, including (i) a description of any land use entitlements acquired or amended with respect to any portion of the Project during the period covered by the Annual Report, and (ii) any previously undisclosed legislative, administrative, or judicial challenges to the development of the Project, if material.
5. Updated information set forth in the applicable table of the Official Statement entitled "Portion of Measure R Revenues Historically Allocated to the [Reporting Local Agency]."
6. Any material changes to the Reporting Local Agency's allocation of Measure R Receipts or with respect to its expectations with regard to the anticipated or projected Measure R Receipts.

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 Reporting Local Agency or related public entities, that are available to the public on MSRB's Internet Web site or filed with the SEC. If the document included by reference is a final official statement, it must be available from MSRB. The Reporting Local Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Reporting Local Agency shall give, or cause to be given, not in excess of ten business days after the occurrence of any of the following events, notice of the occurrence of such event with respect to the Certificates:

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 any 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. Certificate calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayments of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership, or similar event of the Reporting Local Agency [this Listed Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Reporting Local Agency 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 Reporting Local Agency, 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 Reporting Local Agency].
13. Consummation of a merger, consolidation, or acquisition involving the Reporting Local Agency or the sale of all or substantially all of the assets of the Reporting Local Agency, 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.

(b) Upon and after the occurrence of a Listed Event listed under subsection (a)(2), (a)(7), (a)(8), (a)(10), (a)(13), or (a)(14) above, the Reporting Local Agency shall as soon as possible determine if such event would be material under applicable federal securities laws. If the Reporting Local Agency determines that knowledge of the occurrence of such Listed Event would be material under applicable federal securities laws, the Reporting Local Agency shall file a notice of such occurrence with MSRB, with a copy to the Trustee, [the Certificate Insurer,] and the Participating Underwriter, within ten business days after the occurrence of such Listed Event. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB.

(c) Within ten business days after the occurrence of any Listed Event (other than a Listed Event listed under subsection (a)(2), (a)(7), (a)(8), (a)(10), (a)(13), or (a)(14) above), the Reporting Local

Agency shall file a notice of such occurrence with MSRB, with a copy to the Trustee, [the Certificate Insurer,] and the Participating Underwriter. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB.

Section 6. Termination of Reporting Obligation. The obligations of the Reporting Local Agency and the Dissemination Agent specified in this Disclosure Agreement shall terminate upon the legal defeasance, prior prepayment, or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the Reporting Local Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The Reporting Local Agency may from time to time appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Reporting Local Agency shall act as Dissemination Agent. The initial Dissemination Agent shall be Urban Futures, Inc.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Reporting Local Agency may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to annual or event information to be provided hereunder, 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 the Reporting Local Agency 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 Certificates, 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 (i) is approved by holders of the Certificates in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of the Reporting Local Agency or nationally recognized bond counsel, materially impair the interest of Certificates owners.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information 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 Reporting Local Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to MSRB.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Reporting Local Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement 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 Agreement. If the Reporting Local Agency 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 Agreement, the Reporting Local Agency shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Reporting Local Agency to comply with any provisions of this Disclosure Agreement any Participating Underwriter or any holder or beneficial owner of the Certificates, or the Trustee on behalf of the holders of the Certificates, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Reporting Local Agency to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Reporting Local Agency to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Reporting Local Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities that it may incur arising out of or in the exercise or performance of its duties as described hereunder, if any, 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 obligations of the Reporting Local Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates. The Dissemination Agent shall not be responsible in any manner for the format or content of any notice or Annual Report prepared by the Reporting Local Agency pursuant to this Disclosure Agreement. The Reporting Local Agency shall pay the reasonable fees and expenses of the Dissemination Agent for its duties as described hereunder.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Local Agency, the Dissemination Agent, the Trustee, the Participating Underwriter and holders and beneficial owners from time to time of the Certificates, and shall create no rights in any other person or entity.

[Remainder of Page Intentionally Left Blank]

Section 13. Counterparts. This Disclosure Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Date: [Closing Date]

CITY OF _____

By: _____
Authorized Signatory

URBAN FUTURES, INC.,
as Dissemination Agent

By: _____
Authorized Signatory

EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of _____

Name of Certificates: California Communities Local Measure R Sales Tax Revenue
(Installment Sale) Certificates of Participation, Series 2016
(T.R.I.P. – Total Road Improvement Program)

Date of Execution and Delivery: [Closing Date]

NOTICE IS HEREBY GIVEN that the City of _____, California (the “Reporting Local Agency”) has not provided an Annual Report with respect to the above-named Certificates as required by the Continuing Disclosure Agreement, dated [Closing Date]. The Reporting Local Agency anticipates that the Annual Report will be filed by _.

Dated:

CITY OF _____

By: _____
Authorized Signatory

[APPENDIX E]

[SPECIMEN MUNICIPAL BOND INSURANCE POLICY]

EXHIBIT "4"

\$ _____
CALIFORNIA COMMUNITIES
LOCAL MEASURE R SALES TAX REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION, SERIES 2016
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)

_____, 2016

CERTIFICATE PURCHASE AGREEMENT

California Local Agencies
 As listed in Exhibit A hereto

California Statewide Communities Development Authority
 1100 K Street, Suite 101
 Sacramento, California 95814

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”), offers to enter into this Certificate of Purchase Agreement (this “**Purchase Contract**”) with the local agencies identified in Exhibit A hereto (severally and not jointly) (each, a “**Local Agency**” and, collectively, the “**Local Agencies**”) and the California Statewide Communities Development Authority (the “**Authority**”) with regard to the California Communities Local Measure R Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2016 (T.R.I.P. – Total Road Improvement Program) (the “**Certificates**”), which Purchase Contract, upon the acceptance hereof by the Local Agencies and the Authority, will be binding upon the Authority, the Local Agencies, and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the Authority and the Local Agencies and the delivery of such acceptance to the Underwriter at or prior to 11:59 p.m., California time, on the date hereof, and, if it is not so accepted, such offer may be withdrawn by the Underwriter upon written notice to the Local Agencies and the Authority by the Underwriter at any time before its acceptance. The Authority is acting as sponsor of the California Communities’ T.R.I.P – Total Road Improvement Program (the “**Program**”) and, pursuant to the 2016 Installment Sale Agreements (as defined herein), will appoint the Local Agencies agents with respect to certain aspects of such Local Agencies’ participation in the Program. For all purposes under this Purchase Contract, each Local Agency shall be, and shall be deemed to be, acting severally and not jointly with any other Local Agency.

1. Upon the terms and conditions and upon the basis of the representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase, and the Local Agencies and the Authority hereby agree to sell to the Underwriter for such purpose, all (but not less than all) of the \$ _____ aggregate principal amount of the Certificates, which evidence and represent a proportionate and undivided interest in the Installment Sale Payments (as defined herein) of each of the Local Agencies made pursuant to its respective 2016 Installment Sale Agreement, dated as of _____, 2016 (each, a “**2016 Installment Sale Agreement**” and, collectively, the “**2016 Installment Sale Agreements**”), by and between the applicable Local Agency and the Authority. The purchase price of the

Certificates shall be \$_____ (representing the par amount of the Certificates, [plus/less] a net original issue [premium/discount] of \$_____, less an Underwriter's discount of \$_____); [it being acknowledged that the Underwriter will on the Closing Date, on behalf of the Local Agencies, wire the \$_____ aggregate premium for the Certificate Insurance Policy and the \$_____ aggregate premium for the Reserve Policy to the Certificate Insurer (each as hereinafter defined) directly, and deliver net proceeds to the Trustee in the amount of \$_____.] The Preliminary Official Statement with respect to the Certificates, dated _____, 2016 (the "**Preliminary Official Statement**"), as amended to conform to the terms of this Purchase Contract, and dated the date hereof, and with such changes and amendments as are mutually agreed to by the Authority, the Local Agencies, and the Underwriter, including the cover page, the appendices, and all information incorporated therein by reference, is herein collectively referred to as the "**Official Statement**." The Authority represents that it has deemed the sections of the Preliminary Official Statement entitled "THE AUTHORITY" and "NO LITIGATION – The Authority" to be final as of the date of Preliminary Official Statement, pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "**Rule**"), and has delivered, or will deliver, a certificate to the Underwriter substantially in the form of Exhibit C-1 attached hereto. Each Local Agency represents that it has deemed the Preliminary Official Statement to be final as of its date, except for (a) information regarding the Authority, [the Certificate Insurer, the Reserve Policy, and the Certificate Insurance Policy], (b) information relating to any other Local Agency, and (c) the omission of the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, dates and amounts of mandatory sinking fund payments, delivery dates, ratings, and identity of the purchasers and any other terms of the Certificates relating to such matters and any other information permitted to be omitted by the Rule, and has delivered, or will deliver, a certificate to the Underwriter substantially in the form of Exhibit C-2 attached hereto.

2. The Certificates shall mature on the dates and in the amounts, and shall evidence interest payable at the rates, set forth in Exhibit B hereto and as further described in the Official Statement and shall be executed and delivered under and pursuant to the Trust Agreement, dated as of _____ 1, 2016 (the "**Trust Agreement**"), by and among the Authority, the Local Agencies, and Wilmington Trust, N.A. (the "**Trustee**"). [Concurrently with the execution and delivery of the Certificates, _____, a _____ insurance company (the "**Certificate Insurer**"), has agreed to deliver to the Trustee a municipal bond insurance policy (the "**Certificate Insurance Policy**") and one or more municipal bond debt service reserve insurance policies (the "**Reserve Policy**"). The Certificate Insurance Policy will guaranty the scheduled payments when due of the principal and interest with respect to the Certificates. The Reserve Policy will be issued pursuant to the terms of an Insurance Agreement, dated _____, 2016 (the "**Insurance Agreement**"), by and among the Authority, the applicable Local Agency, and the Certificate Insurer. The Reserve Policy constitutes a Qualified Reserve Instrument under and as defined in the Trust Agreement, and will be issued by the Certificate Insurer in an amount equal to the Reserve Fund Requirement.] Capitalized terms used herein without definition shall have the meanings given to such terms in the Trust Agreement.

3. The Underwriter agrees to make an initial bona fide public offering of all of the Certificates, at not in excess of the initial public offering yields or prices set forth on Exhibit B attached hereto. Following the initial public offering of the Certificates, the offering prices may be changed from time to time by the Underwriter. The Local Agencies and the Authority acknowledge and agree that: (i) the purchase and sale of the Certificates pursuant to this Purchase Contract is an arm's-length commercial transaction between the Local Agencies, the Authority, and the Underwriter; (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and are not acting as Municipal Advisor (as defined in Section 15B of The Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Local Agencies or the Authority with respect to the offering contemplated hereby or the discussions, undertakings, and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Local Agencies or the Authority on other matters); and (iv) the Local Agencies and the Authority have consulted their own legal, financial, and other advisors to the extent they have deemed appropriate.

4. The Authority and each of the Local Agencies hereby authorizes, or has previously authorized, the use by the Underwriter of (i) the Trust Agreement, (ii) each respective 2016 Installment Sale Agreement, (iii) each respective Continuing Disclosure Agreement, dated as of the Closing Date (each, a "**Local Agency Continuing Disclosure Agreement**" and, collectively, the "**Local Agency Continuing Disclosure Agreements**"), by and between the applicable Local Agency and Urban Futures, Inc., as dissemination agent (the "**Dissemination Agent**"), and (iv) each of the Preliminary Official Statement and the Official Statement, and any supplements or amendments thereto, and the information contained in each of such documents, in connection with the public offering and sale of the Certificates.

The Authority will deliver to the Underwriter, within seven (7) business days after the date of this Purchase Contract and in sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, copies of the Official Statement in final form (including all documents incorporated by reference therein) and any amendment or supplement thereto in such quantities as the Underwriter may reasonably request in order to comply with the obligations of the Underwriter pursuant to the Rule and the rules of the Municipal Securities Rulemaking Board. As soon as practicable following receipt thereof from the Authority, the Underwriter shall deliver the Official Statement to the Municipal Securities Rulemaking Board.

5. At 8:00 a.m., Los Angeles time, on _____, 2016, or at such other time or on such other business day as shall have been mutually agreed upon by the Authority, the Local Agencies, and the Underwriter (the "**Closing Date**"), the Authority will cause the Trustee to execute and deliver to the Underwriter at the office of or otherwise in care of The Depository Trust Company ("**DTC**") in New York, New York, or at such other place as the Authority and the Underwriter may mutually agree upon, the Certificates in fully-registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Certificates by wire transfer payable in immediately available funds to or upon the order of the Authority at such place in Los Angeles, California, or New York, New York, as shall have been mutually agreed upon by the Authority and the

Underwriter. Such delivery of and payment for the Certificates is referred to herein as the “**Closing**.” The Certificates shall be made available for inspection by DTC at least one business day before the Closing.

6. The Authority represents, warrants, and covenants to the Underwriter that:

(A) The Authority is a joint powers authority under Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code duly organized and validly existing under and by virtue of the Constitution and the laws of the State of California (the “**State**”).

(B) The Authority has the legal right and power to execute and deliver, and to perform its obligations under, the Trust Agreement, the 2016 Installment Sale Agreements, [the Insurance Agreement,] and this Purchase Contract (collectively, the “**Authority Documents**”). The Authority has duly authorized the execution and delivery of the Certificates and the execution and delivery of, and performance of its obligations under, the Authority Documents and, as of the date hereof, such authorizations are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered by the respective parties thereto, the Authority Documents will constitute legal, valid, and binding obligations of the Authority in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws, the application of equitable principles relating to or affecting creditors’ rights generally, and limitations on remedies against public entities in California. The Authority has complied, and will at the Closing be in compliance in all respects, with its obligations under the Authority Documents.

(C) The Certificates will be paid from Installment Sale Payments pursuant to the respective 2016 Installment Sale Agreements, which payments have been duly and validly authorized pursuant to applicable law.

(D) The Certificates will be executed and delivered in accordance with the Trust Agreement and will conform in all material respects to the descriptions thereof contained in the Official Statement. The Trust Agreement creates a valid pledge of, first lien upon, and security interest in, the pledged Installment Sale Payments.

(E) The information in the sections of the Official Statement entitled “**THE AUTHORITY**” and “**NO LITIGATION – The Authority**” is true and correct in all material respects, and such information does not contain any misstatement of any material fact and does not omit any statement necessary to make the statements, in the light of the circumstances in which such statements were made, not misleading.

(F) The Authority covenants with the Underwriter that for twenty-five (25) days after the Closing Date (the “**Delivery Period**”), if any event occurs that might or would cause the Official Statement, as then supplemented or amended, to contain an 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 cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement, at the expense of the Local Agencies, in a form and in a manner approved by the Underwriter.

(G) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale, or distribution of the Certificates.

(H) If the Official Statement is supplemented or amended, the Official Statement, as so supplemented or amended, as of the date of such supplement or amendment, 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.

(I) The Authority is not in breach of or in default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which the Authority is a party, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any of the foregoing.

(J) The authorization, execution, and delivery by the Authority of the Authority Documents, and compliance by the Authority with the provisions thereof, do not and will not conflict with or constitute a breach of or default by the Authority under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which it is bound or by which its properties may be affected, 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 properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument, except as provided by the Authority Documents.

(K) No authorization, consent, or approval of, or filing or registration with, any Governmental Authority (as defined below) or court is, or under existing requirements of law will be, necessary for the valid execution and delivery of, or performance by the Authority of its obligations under, the Authority Documents, other than any authorization, consent, approval, filing, or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale, execution, or delivery of the Certificates. All authorizations, consents, or approvals of,

or filings or registrations with, any Governmental Authority or court necessary for the valid execution and delivery of, and performance by the Authority of its obligations with respect to, the Certificates will have been duly obtained or made prior to the execution and delivery of the Certificates (and disclosed to the Underwriter). As used herein, the term “**Governmental Authority**” refers to any legislative body or governmental official, department, commission, board, bureau, agency, instrumentality, body, or public benefit corporation.

(L) The Authority shall furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request at the expense of the Underwriter and/or the Local Agencies in order (i) to qualify the Certificates 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 Certificates for investment under the laws of such states and other jurisdictions, and shall use its best efforts to continue such qualifications in effect so long as required for the distribution of the Certificates; provided, however, that the Authority shall not be required to execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(M) To the knowledge of the Authority, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending or threatened (i) in any way questioning the existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the execution and delivery of the Certificates or the execution or delivery of any of the Authority Documents, or the payment or collection of any amounts pledged or to be pledged to pay the principal and interest with respect to the Certificates, or in any way contesting or affecting the validity of the Certificates or the Authority Documents or the consummation of the transactions contemplated thereby or any proceeding of the Authority taken with respect to any of the foregoing, or contesting the exclusion of the portion of the Installment Sale Payments designated as and comprising interest and received by the Owners of the Certificates from taxation or contesting the powers of the Authority and its authority to pledge the Installment Sale Payments; (iii) that may result in any material adverse change relating to the Authority that will materially adversely affect the Authority’s ability to apply Installment Sale Payments to pay the Certificates when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(N) Other than in the ordinary course of its business or as contemplated by the Official Statement, between the date of this Purchase Contract and the Closing Date the Authority will not, without the prior written consent of the Underwriter, offer or issue any certificates, bonds, notes, or other obligations for borrowed money or incur any

material liabilities, direct or contingent, payable from or secured by a pledge of the Installment Sale Payments.

(O) Any certificate signed by any official or other representative of the Authority and delivered to the Underwriter pursuant to this Purchase Contract shall be deemed a representation and warranty by the Authority to the Underwriter as to the truth of the statements therein made.

7. Each Local Agency represents, warrants, and covenants to the Underwriter and the Authority, solely for itself and not on behalf of any other Local Agency, that:

(A) The Local Agency is a municipal corporation of the State duly organized and validly existing under and by virtue of the Constitution and laws of the State.

(B) The Local Agency has the legal right and power to execute and deliver, and to perform its obligations under, the Trust Agreement, its applicable 2016 Installment Sale Agreement, its applicable Local Agency Continuing Disclosure Agreement, [its applicable Insurance Agreement,] and this Purchase Contract (collectively, with respect to such Local Agency, the **“Local Agency Documents”**). The Local Agency has duly authorized the execution and delivery of, and the performance of its obligations under, the Local Agency Documents and as of the date hereof such authorizations are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered by the respective parties thereto, the Local Agency Documents will constitute legal, valid, and binding obligations of the Local Agency in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws, the application of equitable principles relating to or affecting creditors' rights generally, and limitations on remedies against public entities in California. The Local Agency has complied, and will at the Closing be in compliance in all respects, with its obligations under the Local Agency Documents.

(C) The Installment Sale Payments payable under the 2016 Installment Sale Agreement have been duly and validly authorized pursuant to applicable law.

(D) The Certificates will be executed and delivered in accordance with the Trust Agreement and will conform in all material respects to the descriptions thereof contained in the Official Statement. The Trust Agreement creates a valid pledge of, first lien upon, and security interest in, the pledged Installment Sale Payments.

(E) The information in the Official Statement (excluding any information with respect to the Authority, DTC, the book-entry only system, [the Certificate Insurer, the Certificate Insurance Policy, the Reserve Policy,] and any Local Agencies other than such Local Agency) is true and correct in all material respects, and such information does not contain any misstatement of any material fact and does not omit any statement necessary to make the statements, in the light of the circumstances in which such statements were made, not misleading.

(F) The Local Agency covenants with the Underwriter that, during the Delivery Period, if any event occurs that might or would cause the Official Statement, as then supplemented or amended, to contain an 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 Local Agency 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 Local Agency will cooperate with the Underwriter and the Authority in the preparation of an amendment or supplement to the Official Statement, at the expense of the Local Agency or Local Agencies, as applicable, in a form and in a manner approved by the Underwriter.

(G) The Local Agency will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter. The Local Agency will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale, or distribution of the Certificates.

(H) If the Official Statement is supplemented or amended, the Official Statement as so supplemented or amended, as of the date of such supplement or amendment, 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.

(I) The Local Agency is not in breach of or in default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which the Local Agency is a party, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any of the foregoing.

(J) The authorization, execution, and delivery by the Local Agency of the Local Agency Documents, and compliance by the Local Agency with the provisions thereof, do not and will not conflict with or constitute a breach of or default by the Local Agency under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which it is bound or by which its properties may be affected.

(K) No authorization, consent, or approval of, or filing or registration with, any Governmental Authority or court is, or under existing requirements of law will be, necessary for the valid execution and delivery of, or performance by the Local Agency of its obligations under, the Local Agency Documents, other than any authorization, consent, approval, filing, or registration as may be required under the Blue Sky or

securities laws of any state in connection with the offering, sale, execution, or delivery of the Certificates.

(L) The Local Agency 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 Certificates 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 Certificates for investment under the laws of such states and other jurisdictions, and will use their best efforts to continue such qualifications in effect so long as required for the distribution of the Certificates; provided, however, that the Local Agency shall not be required to execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(M) There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending or, to the best knowledge of the Local Agency, threatened against the Local Agency (i) in any way questioning the existence of the Local Agency or the titles of the officers of the Local Agency to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the execution and delivery of the Certificates or the execution or delivery of any of the Local Agency Documents, or the payment or collection of any amounts pledged or to be pledged to pay the principal and interest with respect to the Certificates, or in any way contesting or affecting the validity of the Certificates or the Local Agency Documents or the consummation of the transactions contemplated thereby or any proceeding of the Local Agency taken with respect to any of the foregoing, including, without limitation, the Local Agency's validation proceedings with respect to the Certificates and the Local Agency Documents, or contesting the exclusion of the portion of the Installment Sale Payments designated as and comprising interest and received by the Owners of the Certificates from taxation or contesting the powers of the Local Agency and its authority to pledge the Installment Sale Payments; (iii) that may result in any material adverse change relating to the Local Agency that will materially adversely affect the Local Agency's ability to pay Installment Sale Payments when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(N) Other than in the ordinary course of its business or as contemplated by the Official Statement, between the date of this Purchase Contract and the Closing Date the Local Agency will not, without the prior written consent of the Underwriter, offer or issue any certificates, bonds, notes, or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Installment Sale Payments.

(O) The financial information regarding the Local Agency contained in the Official Statement fairly present the financial position and results of the operations of the Local Agency as of the dates and for the periods therein set forth, and, to the best of the Local Agency's knowledge, the Local Agency's audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied.

(P) Any certificate signed by any official or other representative of the Local Agency and delivered to the Underwriter pursuant to this Purchase Contract shall be deemed a representation and warranty by the Local Agency to the Underwriter as to the truth of the statements therein made.

(Q) Except as otherwise disclosed in the Official Statement, the Local Agency has not failed during the previous five (5) years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under the Rule.

(R) To the extent permitted by law, the Local Agency agrees to indemnify and hold harmless the Authority and its officers, directors, agents, and employees against any and all losses, claims, damages, liabilities, and expenses arising out of any statement or information in the Preliminary Official Statement or in the Official Statement (other than statements or information specifically related to the Authority, the Program, DTC, the book-entry only system, [the Certificate Insurer, the Certificate Insurance Policy, the Reserve Policy,] and any Local Agency other than such Local Agency) that is untrue or incorrect in any material respect or that omits to state any material fact that is necessary to make such statement or information therein not misleading in any material respect.

8. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties, and covenants of the Authority and each of the Local Agencies contained herein and in the Authority Documents and the Local Agency Documents to which each of the Authority or each of the Local Agencies, as applicable, is a party, and the performance by the Authority and by each of the Local Agencies of their respective obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Contract are and shall be subject to the following further conditions:

(A) The representations and warranties of the Authority and the Local Agencies contained herein shall be true, complete, and correct in all material respects on the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete, and correct in all material respects at the Closing; the Authority and each of the Local Agencies shall be in compliance with each of the agreements made by it in this Purchase Contract (unless such agreements are waived by the Underwriter); there shall not have occurred an adverse change in the financial position, results of operations, or financial condition of any of the Local Agencies that materially adversely affects the ability of any of the

Local Agencies to pay Installment Sale Payments when due or otherwise perform any of its obligations under the Local Agency Documents; and there shall not have occurred an adverse change in the financial position of the Authority that materially adversely affects the ability of the Authority to make payments of principal and interest with respect to the Certificates when due or otherwise perform any of its obligations under the Authority Documents.

(B) At the time of the Closing, the Authority Documents and the Local Agency Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented (except as may be agreed to in writing by the Underwriter); all actions that, in the opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the Local Agencies (“**Special Counsel**”), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect; and each Local Agency shall perform or shall have performed its obligations required under or specified in the Local Agency Documents to be performed at or prior to the Closing and the Authority shall perform or shall have performed its obligations required under or specified in the Authority Documents to be performed at or prior to the Closing.

(C) At the time of the Closing, the Official Statement (as amended and supplemented) shall be true and correct in all material respects, and shall not omit any statement or information necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(D) Except as disclosed in the Official Statement or in a schedule delivered to the Underwriter at the Closing, no decision, ruling, or finding shall have been entered by any court or Governmental Authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside) that has any of the effects described in Section 8(F) hereof.

(E) (i) No default by any Local Agency or the Authority shall have occurred and be continuing in the payment of the principal of or premium, if any, or interest on any bond, note, or other evidence of indebtedness issued by any Local Agency or the Authority, respectively, and (ii) no bankruptcy, insolvency, or other similar proceeding in respect of any Local Agency or the Authority shall be pending or, to the knowledge of each such Local Agency or the Authority, contemplated.

(F) The Underwriter may terminate this Purchase Contract by written notification to the Authority and the Local Agencies if at any time after the date hereof and prior to the Closing:

(1) legislation shall have been enacted by the United States or the State or shall have been reported out of committee or be pending in committee, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or a regulation, proposed regulation, or a temporary regulation shall have been published in the Federal Register or any other release or announcement shall have been made by the Treasury Department of the

United States or the Internal Revenue Service, with respect to Federal or State taxation upon revenues or other income or payments of the general character of the Certificates, which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Certificates; or

(2) the United States shall have become engaged in hostilities that have resulted in a declaration of war or a national emergency or the President of the United States of America shall have committed the armed forces of the United States of America to combat so as to adversely affect the financial markets in the United States of America and that, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Certificates; or

(3) there shall have occurred a general suspension of trading on the New York Stock Exchange, or a general banking moratorium shall have been declared by Federal, California, or New York authorities having jurisdiction and being in force; or

(4) there shall have occurred an adverse change in the financial position, results of operations, or financial condition of any Local Agency that, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Certificates; or

(5) any legislation, ordinance, rule, or regulation shall be introduced in, or be enacted by, any governmental body, department, or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered that, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Certificates; or

(6) legislation shall be enacted by 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 all behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, or sale of obligations of the general character of the Certificates, or the execution, delivery, offering, or sale of the Certificates, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Certificates, or the Certificates, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Trust Agreement needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(7) 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, which restrictions materially adversely affect the ability of underwriters to trade obligations of the general character of the Certificates; or

(8) any rating of the Certificates shall have been downgraded, suspended, or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Certificates; or

(9) the commencement of any action, suit, or proceeding described in Section 6(M) or 7(M) that, in the judgment of the Underwriter, materially adversely affects the market price of the Certificates; or

(10) [any rating of the Certificate Insurer shall have been downgraded, suspended, or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Certificates;] or

(11) any event occurring, or information becoming known, that, in the reasonable judgment of the Underwriter, makes any statement or information contained in the Official Statement, as of its date, untrue in any material adverse respect, or has the effect that the Official Statement, as of its date, contains any untrue statement of a material fact 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.

(G) At or prior to the Closing, the Underwriter shall receive the following documents:

(1) the opinion of Special Counsel, dated the Closing Date, in substantially the form included in the Official Statement as Appendix C, addressed to the Local Agencies (and accompanied by reliance letters to the Authority, the Underwriter, the Trustee, and the Certificate Insurer);

(2) a supplemental opinion of Special Counsel, in form and substance satisfactory to the Underwriter, dated the Closing Date, addressed to the Underwriter, to the effect that:

(i) the Certificates are not subject to registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; [provided that no opinion shall be expressed with respect to the Certificate Insurance Policy or the Reserve Policy];

(ii) this Purchase Contract has been duly executed and delivered by each Local Agency and is a valid and binding agreement of each Local Agency; and

(iii) the statements contained in the Official Statement under the captions "INTRODUCTION," "THE CERTIFICATES," "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES," "TAX MATTERS," "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS," and "APPENDIX C – PROPOSED

FORM OF SPECIAL COUNSEL OPINION,” insofar as such statements expressly summarize certain provisions of the Trust Agreement, the 2016 Installment Sale Agreements, the Certificates, and the opinion of Special Counsel concerning certain federal tax matters relating to the Certificates, are accurate in all material respects;

(3) an opinion of counsel to each Local Agency, in form and substance satisfactory to the Underwriter, dated the Closing Date, addressed to the Authority, the Underwriter, [and the Certificate Insurer,] to the effect that:

(i) the Local Agency is a municipal corporation duly organized and validly existing under and by virtue of the laws of the State;

(ii) the Local Agency has full legal power and lawful authority to enter into the Local Agency Documents;

(iii) the resolution of the Local Agency approving and authorizing the execution and delivery of the Local Agency Documents and approving the Official Statement (the “**Local Agency Resolution**”) was duly adopted at a meeting of the city council or other governing body of the Local Agency that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Local Agency Resolution is in full force and effect and has not been modified, amended, or rescinded as of the Closing Date;

(iv) the Local Agency Documents have been duly authorized, executed, and delivered by the Local Agency and, assuming due authorization, execution, and delivery by the other parties thereto, such documents constitute the legal, valid, and binding agreements of the Local Agency enforceable in accordance with their terms, subject to laws relating to bankruptcy, insolvency, or other laws affecting the enforcement of creditors’ rights generally and the application of equitable principles if equitable remedies are sought;

(v) the execution and delivery by the Local Agency of the Local Agency Documents, and compliance by the Local Agency with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, court decree, resolution, or agreement to which the Local Agency is subject to or by which it is bound;

(vi) [the Reserve Policy, as defined in the Insurance Agreement, is a Qualified Reserve Instrument, as defined in the Trust Agreement, and the repayment obligations owed to the Certificate Insurer in connection with the Reserve Policy are secured by a valid lien on Revenues (as defined in the Trust Agreement), subject to the first pledge of and lien upon the Revenues for the payment of the Certificates;]

(vii) nothing has come to such counsel's attention that would lead such counsel to believe that the Official Statement (excluding therefrom financial information and other statistical data included in the Official Statement, and any information with respect to any Local Agencies other than such Local Agency, the Authority, the Program, DTC, the book-entry only system, [the Certificate Insurer, the Reserve Policy, or the Certificate Insurance Policy,] as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(viii) except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending or, to the best knowledge of such counsel, threatened against the Local Agency (a) in any way questioning the existence of the Local Agency or the titles of the officers of the Local Agency to their respective offices; (b) affecting, contesting, or seeking to prohibit, restrain, or enjoin the execution and delivery of the Certificates or any of the Local Agency Documents, or the payment or collection of any amounts pledged or to be pledged to pay the Installment Sale Payments or the principal and interest with respect to the Certificates, or in any way contesting or affecting the validity of the Certificates or the Local Agency Documents or the consummation of the transactions contemplated thereby or any proceeding of the Local Agency taken with respect to any of the foregoing, or contesting the exclusion of the interest payable with respect to the Certificates from taxation or contesting the powers of the Local Agency and its authority to pledge the Installment Sale Payments; (c) that may result in any material adverse change relating to the Local Agency that will materially adversely affect the Local Agency's ability to pay the Installment Sale Payments when due; or (d) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(ix) no additional authorization, approval, consent, waiver, or any other action by any person, board, or body, public or private, not previously obtained is required as of the Closing Date for the Local Agency to enter into the Local Agency Documents, or to perform its obligations thereunder;

(4) an opinion of Special Counsel, as counsel to the Authority, in form and substance satisfactory to the Underwriter, dated the Closing Date, addressed to the Underwriter [and the Certificate Insurer], to the effect that:

(i) the Authority is a joint powers agency organized and existing under the laws of the State of California; and

(ii) the resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents and approving the Official Statement (the “**Authority Resolution**”) was duly adopted at a meeting of the governing body of the Authority. The Authority Resolution is in full force and effect and has not been amended, modified or rescinded;

(5) a letter from Goodwin Procter LLP, Los Angeles, California, counsel to the Underwriter (“**Underwriter’s Counsel**”), dated the Closing Date, addressed to the Underwriter, to the effect that, based upon its participation in the preparation of the Official Statement as Underwriter’s Counsel and without having undertaken to determine independently the fairness, accuracy, or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein, the information with respect to DTC and the book-entry system, [the information with respect to the Certificate Insurer, the Reserve Policy, and the Certificate Insurance Policy,] and the information included in the Appendices thereto, as to which no view need be expressed) contains any untrue statement of a material fact 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;

(6) a certificate of each Local Agency, in form and substance satisfactory to the Underwriter, dated the Closing Date, to the effect that:

(i) the representations, warranties, and covenants of the Local Agency contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the Local Agency has complied with all of the terms and conditions of the Purchase Contract required to be complied with by the City at or prior to the Closing Date;

(ii) the Local Agency has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date pursuant to the Purchase Contract with respect to the execution and delivery of the Certificates;

(iii) to the best knowledge of the Local Agency, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened against the Local Agency, affecting the existence of the Local Agency 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 Certificates or contesting or affecting, as to the Local Agency, the validity or enforceability of the Certificates, the Local Agency Documents or contesting the tax exempt status of interest represented by the Certificates, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Local Agency or any authority for the execution

and delivery of the Certificates, or in any way contesting or challenging the consummation of the transactions contemplated under the Local Agency Documents, or, except as disclosed in the Official Statement, that might result in a material adverse change in the financial condition of the Local Agency or materially adversely affect the Local Agency's rights to receive and expend revenues allocated to the Local Agency by the Los Angeles County Metropolitan Transportation Authority (the "**Authority**") that are derived from a retail transactions and use tax imposed in the County of Los Angeles, California pursuant to Division 12 (Section 130350 et seq.) of the Public Utilities Code of the State of California and Ordinance No. 08-01, the Traffic Relief and Rail Expansion Ordinance, adopted by the Authority on July 24, 2008, and approved by at least two-thirds of electors voting on such proposition in the November 4, 2008 election, as supplemented and amended, nor is there any basis known to the Local Agency for any such action, suit, proceeding, inquiry, or investigation, wherein an unfavorable decision, ruling, or finding would materially adversely affect the authorization, execution, delivery, or performance by the Local Agency of the Local Agency Documents or the execution by the Trustee of the Certificates;

(iv) no event affecting the Local Agency has occurred since the date of the Official Statement that has not been disclosed therein or in any supplement or amendment thereto, which event should be in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(v) between the date of the Purchase Contract and the Closing Date, the Local Agency has not offered or issued any bonds, notes, or other obligations for borrowed money, or incurred any material liabilities, other than with the written consent of the Underwriter, nor has there been any adverse change of a material nature in the financial position, results of operations, or condition, financial or otherwise, of the Local Agency;

(7) a certificate of the Authority, in form and substance satisfactory to the Underwriter, dated the Closing Date, to the effect that:

(i) the representations and warranties of the Authority contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; and

(ii) there has been no material adverse change in the financial condition or results of operations of the Authority from the date of the Official Statement to the Closing Date;

(8) a certificate, dated the date of the Preliminary Official Statement, from the Authority addressed to the Underwriter, in the form attached hereto as Exhibit C-1 and a certificate, dated the date of the Preliminary Official Statement, from

each Local Agency addressed to the Underwriter, in the form attached hereto as Exhibit C-2;

(9) an opinion of counsel to the Trustee, dated the Closing Date, addressed to the Underwriter, the Authority, [and the Certificate Insurer,] to the effect that:

(i) the Trustee is a national banking association and is validly existing, duly qualified to do business and in good standing under the laws of each jurisdiction in which the performance of its duties under the Trust Agreement and the Local Agency Continuing Disclosure Agreements, if any, pursuant to which the Trustee serves as dissemination agent (collectively, the **“Trustee Documents”**) would require such qualification and has the requisite power and authority to execute, deliver and perform its obligations under the Trustee Documents;

(ii) the Trustee is duly eligible and qualified to act as Trustee under the Trust Agreement;

(iii) the Trustee has all requisite power, authority and legal right to execute and deliver the Trustee Documents and to perform its obligations under the Trustee Documents, and has taken all necessary corporate action to authorize the execution and delivery of and the performance of its obligations under the Trustee Documents;

(iv) the Trustee has duly executed and delivered the Trustee Documents. Assuming the due authorization, execution and delivery thereof by the other parties thereto, the Trustee Documents are the legal, valid and binding agreements of the Trustee enforceable against the Trustee in accordance with their terms, except to the extent enforceability thereof may be subject to (A) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights and remedies heretofore or hereafter enacted, and (B) the application of equitable principles and the exercise of judicial discretion in appropriate cases;

(v) the Certificates have been duly executed and delivered by the Trustee;

(vi) the execution, delivery and performance of the Trustee Documents by the Trustee and the consummation of the transactions contemplated thereby do not and will not (a) to the knowledge of such counsel, conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument to which the Trustee is a party or by which the Trustee is bound or to which any of the property or assets of the Trustee or any of its subsidiaries is subject, (b) result in any violation of the provisions of the charter, articles of association, by-laws, or applicable

resolutions of the Trustee, or (c) to the knowledge of such counsel, result in any violation of any statute or any order, rule, or regulation of any court or government agency or body having jurisdiction over the Trustee or any of its properties or assets; and

(vii) to the knowledge of such counsel, there are no actions, proceedings or investigations pending or threatened against the Trustee before any court, administrative agency or tribunal (a) asserting the invalidity of the Trustee Documents, (b) seeking to prevent the consummation of any of the transactions contemplated thereby, or (c) that might materially and adversely affect the performance by the Trustee of its obligations under, or the validity or enforceability of the Trustee Documents;

(10) a certificate, dated the Closing Date, signed by a duly authorized officer of the Trustee, to the effect that:

(i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the necessary power to enter into, accept, and administer the trusts created under the Trust Agreement and to execute and deliver the Certificates to the Underwriter;

(ii) the Trustee Documents have been duly authorized, executed, and delivered by a duly authorized officer of the Trustee, and the execution, delivery, and performance of the Trustee Documents has been duly authorized by all necessary action of the Trustee;

(iii) the Trustee Documents constitute the legal, valid, and binding obligations of the Trustee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(iv) the Certificates have been duly executed and delivered by a duly authorized officer of the Trustee;

(v) 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 execution and delivery of the Trustee Documents or the performance by the Trustee of its duties and obligations under the Trustee Documents;

(vi) the execution and delivery by the Trustee of the Trustee Documents and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution, or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order, or decree of any court or governmental agency or

body having jurisdiction over the Trustee or any of its activities or properties (except that no representation, warranty, or agreement need be made by such counsel with respect to any federal or State securities or blue sky laws or regulations);

(vii) the Trustee's action in executing and delivering the Trustee Documents will not contravene the articles or bylaws of the Trustee and is in full compliance with, and does not conflict with, any applicable law or governmental regulation currently in effect, and such action does not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound; and

(viii) there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental agency, public board, or body that has been served on the Trustee, or to the best knowledge of the Trustee, threatened against the Trustee which in the reasonable judgment of the Trustee would affect the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Trustee Documents or contesting the powers of the Trustee or its authority to enter into and perform its obligations thereunder;

(11) a certificate, dated the Closing Date, signed by a duly authorized officer of the Dissemination Agent, to the effect that:

(i) the Dissemination Agent is a corporation validly existing and in good standing under the laws of the State of California and has full corporate power and authority to enter into and perform its obligations under and the Local Agency Continuing Disclosure Agreement with the City of Azusa and the Local Agency Continuing Disclosure Agreement with the City of San Fernando (collectively, the **"Local Agency Continuing Disclosure Agreements"**);

(ii) each Local Agency Continuing Disclosure Agreement has been duly authorized, executed, and delivered by a duly authorized officer of the Dissemination Agent, and the execution, delivery, and performance of such Local Agency Continuing Disclosure Agreement has been duly authorized by all necessary action of the Dissemination Agent;

(iii) each Local Agency Continuing Disclosure Agreement constitutes the legal, valid, and binding obligation of the Dissemination Agent enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(iv) no consent, approval, authorization, or other action by any governmental or regulatory authority having jurisdiction over the Dissemination

Agent that has not been obtained is or will be required for the execution and delivery of either Local Agency Continuing Disclosure Agreement or the performance by the Dissemination Agent of its duties and obligations under such Local Agency Continuing Disclosure Agreement;

(v) the execution and delivery by the Dissemination Agent of each of the Local Agency Continuing Disclosure Agreements and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution, or any other agreement or instrument to which the Dissemination Agent is a party or by which it is bound, or any law or any rule, regulation, order, or decree of any court or governmental agency or body having jurisdiction over the Dissemination Agent or any of its activities or properties (except that no representation, warranty, or agreement need be made with respect to any federal or State securities or blue sky laws or regulations);

(vi) the Dissemination Agent's action in executing and delivering each Local Agency Continuing Disclosure Agreement will not contravene the articles or bylaws of the Dissemination Agent and is in full compliance with, and does not conflict with, any applicable law or governmental regulation currently in effect, and such action does not conflict with or violate any contract to which the Dissemination Agent is a party or any administrative or judicial decision by which the Dissemination Agent is bound; and

(vii) there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental agency, public board, or body that has been served on the Dissemination Agent, or, to the best knowledge of the Dissemination Agent, threatened against the Dissemination Agent that in the reasonable judgment of the Dissemination Agent would affect the existence of the Dissemination Agent or in any way contesting or affecting the validity or enforceability of either Local Agency Continuing Disclosure Agreement or contesting the powers of the Dissemination Agent or its authority to enter into and perform its obligations thereunder;

(12) certified copies of each Local Agency Resolution, the Authority Resolution, and an incumbency resolution of the Trustee;

(13) copies each of the Authority Documents, the Local Agency Documents, the Trustee Documents, and the Official Statement, duly executed and delivered by the respective parties thereto;

(14) tax certificates of the Authority and of each Local Agency, each in form satisfactory to Special Counsel, signed by an appropriate officer of each of the Authority and each Local Agency;

(15) [evidence satisfactory to the Underwriter that the Certificates shall have received the Certificate Insurance Policy by the Certificate Insurer that unconditionally guarantees the timely payments of all debt service with respect to the Certificates;]

(16) [evidence satisfactory to the Underwriter that the Trustee shall have received the Reserve Policy from the Certificate Insurer, which Reserve Policy constitutes a Qualified Reserve Instrument under and as defined in the Trust Agreement;]

(17) [an opinion of counsel to the Certificate Insurer, in form and substance satisfactory to the Underwriter, Special Counsel, and Underwriter's Counsel, with respect to, among other matters, the Certificate Insurance Policy and the Reserve Policy;]

(18) [a certificate of the Certificate Insurer, in form and substance satisfactory to the Underwriter, Special Counsel, and Underwriter's Counsel, with respect to, among other matters, the Certificate Insurance Policy and the Reserve Policy;]

(19) [a no-default certificate of the Certificate Insurer, in form and substance satisfactory to the Underwriter, Special Counsel, and Underwriter's Counsel;]

(20) evidence that the underlying rating on the Certificates of “___” by Standard & Poor's Ratings Services is in full force and effect on the Closing Date;

(21) [evidence that the rating on the Certificates of “___” by Standard & Poor's Ratings Services as a result of the Certificate Insurance Policy provided by the Certificate Insurer is in full force and effect on the Closing Date;]

(22) copies of the statements with respect to the sale of the Certificates required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855 of the California Government Code;

(23) copy of the default judgment rendered on _____, 2016, by the Superior Court of the State of California for the County of Los Angeles in the action entitled *City of Azusa v. All Persons Interested in the Matter, etc.*, Case No. _____;

(24) copy of the default judgment rendered on _____, 2016, by the Superior Court of the State of California for the County of Los Angeles in the action entitled *City of San Fernando v. All Persons Interested in the Matter, etc.*, Case No. _____;

(25) evidence that the federal tax information form 8038-G for the Authority and for each Local Agency, as applicable, has been prepared by Special Counsel for filing; and

(26) such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter, Special Counsel, or Underwriter's Counsel may reasonably request to evidence compliance by the Local Agencies and the Authority with legal requirements, the accuracy, as of the time of Closing, of the Authority and the Local Agencies' representations herein contained, and the due performance or satisfaction by the Local Agencies and the Authority at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Local Agencies and the Authority.

If any of the Local Agencies or the Authority shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and none of the Local Agencies, the Authority, or the Underwriter shall have any further obligation hereunder.

9. The performance by each of the Authority and the respective Local Agencies of its obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder and (ii) receipt by the Authority, the Local Agencies, and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the Authority and the Local Agencies.

10. (A) The Underwriter shall be under no obligation to pay, and the Local Agencies shall pay, the following expenses incident to the performance of the Authority's and the Local Agencies' obligations hereunder:

- (1) the fees and disbursements of Special Counsel and Underwriter's Counsel;
- (2) the cost of printing and delivering the Certificates, the Preliminary Official Statement and the Official Statement (and any amendment or supplement prepared pursuant to Section 4 of this Purchase Contract);
- (3) the fees and disbursements of the Trustee, accountants, financial advisers, legal counsel, and any other experts or consultants retained by the Authority or the Local Agencies, rating agency fees, and costs, fees, and expenses pertaining to the provision of any municipal bond insurance policy or municipal bond debt service reserve insurance policy;
- (4) expenses (included in the expense component of the spread) incurred on behalf of the Local Agencies' employees that are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of such employees; and
- (5) any other expenses and costs of the Authority and the Local Agencies incident to the performance of their respective obligations in connection with the authorization, execution, delivery, and sale of the Certificates, including out-of-

pocket expenses and regulatory expenses, and any other expenses agreed to by the parties.

(B) The Underwriter shall pay from the expense component of the Underwriter's spread all expenses incurred by it in connection with the public offering and distribution of the Certificates including, without limitation:

(1) all advertising expenses in connection with the offering of the Certificates; and

(2) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Certificates (excluding the fees and expenses of its counsel) including, without limitation, CUSIP Bureau and California Debt and Investment Advisory Commission fees, if any, except as provided in subsection (A) above or as otherwise agreed to by the Underwriter, the Authority, and the Local Agencies.

11. Any notice or other communication to be given to the Authority under this Purchase Contract may be given by delivering the same in writing to the California Statewide Communities Development Authority, 1100 K Street, Suite 101, Sacramento, California 95814, Attention: Treasurer, or to such other person as the Treasurer may designate in writing; any notice or other communication to be given to any Local Agency under this Purchase Contract may be given by delivering the same in writing to such address and to such person as the applicable Local Agency may designate in writing; and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 515 South Figueroa Street, Suite 1800, Los Angeles, California 90071, Attention: John W. Kim. The approval of the Underwriter when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to the Authority.

12. For all purposes of this Purchase Contract, a default shall not be deemed to be continuing if it has been cured, waived, or otherwise remedied. This Purchase Contract shall be governed by and construed in accordance with the laws of the State applicable to contracts made and performed within the State.

13. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14. This Purchase Contract when accepted by the Authority and the Local Agencies in writing shall constitute the entire agreement among the Local Agencies, the Authority, and the Underwriter and is made solely for the benefit of the Local Agencies, the Authority, and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Its: _____

The foregoing is hereby agreed to and accepted as of the date first above written:

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: _____
Authorized Signatory

Time of Execution: _____

LOCAL AGENCIES LISTED ON EXHIBIT A HERETO

[Authorized Officers of each Local Agency shall execute this Purchase Contract by signing Pricing Confirmation Supplement in Exhibit D hereto.]

EXHIBIT A

\$ _____

**CALIFORNIA COMMUNITIES
LOCAL MEASURE R SALES TAX REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION, SERIES 2016
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)**

LOCAL AGENCIES

CITY OF AZUSA

CITY OF SAN FERNANDO

EXHIBIT B

\$ _____

**CALIFORNIA COMMUNITIES
 LOCAL MEASURE R SALES TAX REVENUE (INSTALLMENT SALE)
 CERTIFICATES OF PARTICIPATION, SERIES 2016
 (T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)**

SCHEDULE OF TERMS AND PRICES

Maturity Date (June 1)	Principal Amount	Interest Rate	Price	Yield
-----------------------------------	-----------------------------	--------------------------	--------------	--------------

Serial Certificates:**Term Certificates:****Total**

EXHIBIT C-1
FORM OF 15c2-12 CERTIFICATE
CERTIFICATE OF AUTHORITY
AS TO FINALITY OF PRELIMINARY OFFICIAL STATEMENT

I hereby certify that I am a member of the board of the California Statewide Communities Development Authority (the “**Authority**”) or an authorized administrative delegatee thereof (“**Authorized Signatory**”), and as such I am authorized to execute this certificate on behalf of the Authority.

I understand that there has been delivered to Stifel, Nicolaus & Company, Incorporated, as underwriter of the California Communities Local Measure R Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2016 (T.R.I.P. – Total Road Improvement Program) (the “Certificates”), a Preliminary Official Statement relating to the Certificates, dated _____, 2016 (including the cover page, the introduction and all appendices thereto, the “**Preliminary Official Statement**”), which Preliminary Official Statement, as to only the sections thereof entitled “THE AUTHORITY” and “NO LITIGATION – The Authority,” the Authority deems to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“**Rule 15c2-12**”), except for information permitted to be omitted therefrom by Rule 15c2-12.

Dated: _____, 2016

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

Authorized Signatory

EXHIBIT C-2

“DEEMED FINAL CERTIFICATE”

FOR

PRELIMINARY OFFICIAL STATEMENT

_____, 2016

Stifel, Nicolaus & Company, Incorporated
515 South Figueroa St, Suite 1800
Los Angeles, California 90071
Attention: John W. Kim

Re: California Communities
Local Measure R Sales Tax Revenue (Installment Sale)
Certificates of Participation, Series 2016
(T.R.I.P. – Total Road Improvement Program)

Ladies and Gentlemen:

With respect to the proposed sale of the California Communities Local Measure R Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2016 (T.R.I.P. – Total Road Improvement Program) (the “**Certificates**”), the California Statewide Communities Development Authority (the “**Authority**”) has delivered to you a Preliminary Official Statement, dated the date hereof (the “**Preliminary Official Statement**”), the City of _____, for purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “**Rule**”), deems the Preliminary Official Statement to be final as of its date, except for (a) information regarding Authority, the Program, [the Certificate Insurer, the Reserve Policy, and the Certificate Insurance Policy] (each as defined in the Preliminary Official Statement), (b) information relating to any other Local Agencies (as defined in the Preliminary Official Statement), and (c) the omission of the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, dates and amounts of mandatory sinking fund payments, delivery dates, ratings, and identity of the purchasers and any other terms of the Certificates relating to such matters and any other information permitted to be omitted by the Rule.

[NAME OF LOCAL AGENCY]

By: _____

Name: _____

Title: _____

EXHIBIT D-1

\$ _____

**California Communities
Local Measure R Sales Tax Revenue (Installment Sale)
Certificates of Participation, Series 2016
(T.R.I.P. – Total Road Improvement Program)**

FORM OF PRICING CONFIRMATION SUPPLEMENT

CITY OF AZUSA

PRICING INFORMATION

Purchase Price Calculation

Proportionate Principal Amount of Certificates:

[Plus/Less]: Net Original Issue [Premium/Discount]:

Less: Underwriter's Discount:

Total Purchase Price

Use of Proceeds

Costs of Issuance:

[Certificate Insurance Policy:]

[Reserve Policy:]

Net Proceeds:

Total Use of Proceeds

IMPORTANT DATES

Resolution Date of Local Agency:	_____, 2016
Purchase Date:	_____, 2016
Closing Date:	_____, 2016
Certificate Payment Dates:	June 1 of each year, commencing June 1, 20__
Interest Payment Dates:	June 1 and December 1 of each year, commencing _____ 1, 20__
Final Maturity Date:	June 1, 20__

IN WITNESS WHEREOF, the Purchase Contract is agreed to, and this Pricing Confirmation Supplement appearing as Exhibit D thereto is accepted, all on the Purchase Date set forth above.

CITY OF AZUSA

By: _____

Name: _____

Title: _____

Time of Execution: _____

EXHIBIT D-2

\$ _____

**California Communities
Local Measure R Sales Tax Revenue (Installment Sale)
Certificates of Participation, Series 2016
(T.R.I.P. – Total Road Improvement Program)**

FORM OF PRICING CONFIRMATION SUPPLEMENT

CITY OF SAN FERNANDO

PRICING INFORMATION

Purchase Price Calculation

Proportionate Principal Amount of Certificates:

[Plus/Less]: Net Original Issue [Premium/Discount]:

Less: Underwriter’s Discount:

Total Purchase Price

Use of Proceeds

Costs of Issuance:

[Certificate Insurance Policy:]

[Reserve Policy:]

Net Proceeds:

Total Use of Proceeds

IMPORTANT DATES

Resolution Date of Local Agency:	_____, 2016
Purchase Date:	_____, 2016
Closing Date:	_____, 2016
Certificate Payment Dates:	June 1 of each year, commencing June 1, 20__
Interest Payment Dates:	June 1 and December 1 of each year, commencing _____ 1, 20__
Final Maturity Date:	June 1, 20__

IN WITNESS WHEREOF, the Purchase Contract is agreed to, and this Pricing Confirmation Supplement appearing as Exhibit D thereto is accepted, all on the Purchase Date set forth above.

CITY OF SAN FERNANDO

By: _____

Name: _____

Title: _____

Time of Execution: _____

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Brian Saeki, City Manager
By: Fred Ramirez, Community Development Director

Date: November 16, 2015

Subject: Consideration to Adopt Ordinance No. U-1647, An Urgency Ordinance of the City Council of the City of San Fernando Extending an Interim Moratorium on the Establishment or Expansion of Dental or Medical Clinics Through October 17, 2016

RECOMMENDATION:

It is recommended that the City Council:

- a. Conduct a Public Hearing; and
- b. Pending public testimony, waive full reading and adopt Urgency Ordinance No. U-1647 (Attachment "A") by title, "An Urgency Ordinance of the City Council of the City of San Fernando Extending an Interim Moratorium on the Establishment or Expansion of Dental or Medical Clinics Through October 17, 2016", and waive further reading. This ordinance is introduced pursuant to Government Code Section 65858, and requires a four-fifths vote for adoption.

BACKGROUND:

1. On October 19, 2015, the City Council conducted a public hearing and adopted Urgency Ordinance No. U-1646 (Attachment "B") establishing a temporary moratorium on the acceptance, processing, and approval of applications and issuance of permits to establish dental or medical clinics. The immediate purpose of the moratorium is to preserve the public peace, health and safety of the community within the meaning of Government Code Section 36937(b) as it relates to providing a reasonable time to study local parking regulations including those currently in place in the City of San Fernando Corridors Specific Plan in order to determine the appropriate parking regulation for off-street parking that should be applied to future request for dental and medical clinics and similar types of uses, pursuant to Government Code Section 65858(b).
2. On November 3, 2015, the Planning and Preservation Commission conducted a study session to solicit public input and provided City Planning Staff with input regarding possible

Consideration to Adopt Ordinance No. U-1647, An Urgency Ordinance of the City Council of the City of San Fernando Extending an Interim Moratorium on the Establishment or Expansion of Dental or Medical Clinics Through October 17, 2016

Page 2 of 5

parking regulations that could be applied to dental and medical clinics in the C-1 (Limited Commercial) and C-2 (Commercial) zone. At the study session, City Planning Staff received valuable input from the public and commission members.

3. On November 6, 2015, the City made available a written report (Attachment "C") describing the measures taken to alleviate the condition, which led to the adoption of Ordinance No. U-1646, pursuant to Government Code Section 65858(d). The report was posted on the City's bulletin boards at City Hall and on the City's website at: www.sfcity.org.
4. On November 6, 2015, the City published the Notice of Public Hearing before the City Council to consider adoption of an "Interim Ordinance Extending the Moratorium on the Acceptance, Processing, and Approval of Applications and Issuance of Permits to Establish Dental or Medical Clinics" in the *Los Angeles Daily News*.
5. The interim ordinance adopted by the City Council on October 19, 2015, will expire on December 3, 2015. After discussion, the Council may adopt an extension to the ordinance by a four-fifths vote or take no action and let the 45-day urgency ordinance expire. The extension is for 10 months and 15 days as provided by State law, or until such earlier time that the City Council amends the City Zoning Ordinance to adopt new applicable off-street parking rates.

ANALYSIS:

City Planning Staff has seen an increase in proposals for new dental and medical facilities over the past seven months. The City expects these inquiries will continue as federal and state health care regulations have increased local demand for dental and medical services.

Review of City Zoning Regulations

Section 106-821 of the San Fernando City Code (the City "Zoning Ordinance") states: "Every use of property shall be required to provide the number of off-street parking spaces which satisfies the needs of the use". In addition, Section 106-547 of the City Zoning Ordinance lists "Dental clinics" and "Medical clinics" as permitted uses in Zone SC (Service Commercial). Lastly, Section 106-822 of the City Zoning Ordinance also sets forth off-street parking requirements for listed categories of land use, but does not specifically identify medical or dental clinics.

Section 106-822, subpart (c) of the City Zoning Ordinance currently requires one off-street parking space for each 300 square feet of gross floor area for "offices, studios, retail sales and services and other general commercial activities not classified elsewhere". These noted parking regulations have remained unchanged since the City's last comprehensive zoning ordinance update that occurred in June of 1987 (City Council Ordinance No. 1305).

Consideration to Adopt Ordinance No. U-1647, An Urgency Ordinance of the City Council of the City of San Fernando Extending an Interim Moratorium on the Establishment or Expansion of Dental or Medical Clinics Through October 17, 2016

Page 3 of 5

In January of 2005, the City Council adopted the City of San Fernando's Corridors Specific Plan ("Specific Plan") pursuant to City Ordinance No. 1562. The Specific Plan, amongst other things, established a higher parking rate of one space per 200 square feet of floor area for medical and dental offices in its Downtown District and Maclay District as a result of finding that the rate for general commercial uses was inadequate to address the parking demand associated with such uses. Furthermore, as part of the proposed update of the Specific Plan currently underway in 2015, the City is considering an off-street parking requirement of one parking space for every 150 square feet of gross floor area for dental clinics and medical clinics to address the parking demand and reduce potential conflicts with other retail and services type land uses.

Urgency Ordinance and City Measures to Alleviate Condition

On October 19, 2015, the San Fernando City Council adopted Urgency Ordinance No. U-1646 establishing a temporary moratorium on the acceptance, processing, and approval of applications and issuance of permits to establish dental or medical clinics.

Since the adoption of the Ordinance No. U-1646, City Planning Staff has taken various steps in order to research and study a possible parking regulation that establishes a off-street parking rate (e.g., number of off-street parking spaces required per specified amount of gross floor area) for dental and medical clinics that addresses increased traffic and parking demand attributed to these types of uses.

These steps include, but are not limited to, the following:

- City Planning Staff conducted a publicly noticed study session with the Planning and Preservation Commission at their regular meeting held on November 3, 2015, in order to solicit input from the public and the commission on potential parking rates to be applied to dental and medical clinics;
- City Planning Staff conducted a survey of over 30 cities including those in The San Fernando Valley Council of Governments and The San Gabriel Valley Council of Governments to provide baseline data regarding parking rates applied by other communities for off-street parking required for dental or medical clinics;
- City Planning Staff continues searching for resources, guides, studies or other documentation regarding the trip generation and parking demands associated with dental or medical clinics.

Request for Extension of Temporary Moratorium

At this time, however, City Planning Staff requires more data to make a final determination on the appropriate parking rate to apply to clinics and protect adjoining land uses and access to limited off-street parking facilities. In order to develop the most appropriate parking regulation for dental and medical clinics, it is City Planning Staff's assessment that an extended moratorium, preserving the status quo, would provide sufficient time for staff to evaluate options and provide the City Council with a recommendation on a long-term solution to the

Consideration to Adopt Ordinance No. U-1647, An Urgency Ordinance of the City Council of the City of San Fernando Extending an Interim Moratorium on the Establishment or Expansion of Dental or Medical Clinics Through October 17, 2016

Page 4 of 5

issue. Without the extension of the temporary moratorium, using the current parking rates may cause adverse impacts to surrounding development and detrimentally affect the public health, safety, and general welfare.

As a result, City Planning Staff is currently preparing a report and public hearing notice to request that the City Council render a decision on an extension to the 45-day moratorium adopted by Ordinance No. U-1646, for an additional 10 months and 15 days, which would expire on December 3, 2015.

CEQA Compliance.

The proposed extension to the urgency ordinance has been reviewed for compliance with the California Environmental Quality Act (CEQA). Based on that assessment, the proposed urgency ordinance has been determined to be exempt from CEQA review pursuant to Title 14, Sections 15061(b)(3), 15306, 15308, and 15378 of the California Code of Regulations.

BUDGET IMPACT:

Approval of this urgency ordinance is not expected to have any direct impact on the City's budget, as the City staff time and the legal fees from the City Attorney's office for work on a permanent ordinance amendment would be covered under the current fiscal year budget.

CONCLUSION:

As noted above, the Urgency Ordinance No. U-1646, adopted by the City Council on October 19, 2015, will expire on December 3, 2015. After discussion, the Council may adopt an extension to the ordinance by a four-fifths vote or take no action and let the 45-day urgency ordinance expire.

If adopted, the Urgency Ordinance No. U-1647 (Attachment "A") will take effect on December 2, 2015, for an additional period of 10 months and 15 days. The proposed interim ordinance would preserve the status quo for a reasonable time while the City continues to study what type of zoning or other regulatory limitations are appropriate as related to changes in the parking rates for dental and medical clinics within the City of San Fernando.

ATTACHMENTS:

- A. Urgency Ordinance No. U-1647
- B. October 19, 2015, Staff Report to the City Council (Re: Urgency Ordinance No. U-1646)

Consideration to Adopt Ordinance No. U-1647, An Urgency Ordinance of the City Council of the City of San Fernando Extending an Interim Moratorium on the Establishment or Expansion of Dental or Medical Clinics Through October 17, 2016

Page 5 of 5

- C. November 3, 2015 Staff Report to the Planning and Preservation Commission (Study Session)
- D. November 3, 2015 Planning and Preservation Commission Minutes
- E. November 6, 2015 Report regarding Urgency Ordinance No. U-1646

ATTACHMENT “A”**URGENCY ORDINANCE NO. U-1647****AN URGENCY ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF SAN FERNANDO EXTENDING AN
INTERIM MORATORIUM ON THE ESTABLISHMENT
OR EXPANSION OF DENTAL OR MEDICAL CLINICS
THROUGH OCTOBER 17, 2016**

WHEREAS, California Constitution Article XI, Section 7, enables the City of San Fernando (the “City”) to enact local planning and land use regulations; and

WHEREAS, the authority to adopt and enforce zoning regulations is an exercise of the City’s police power to protect the public health, safety, and welfare; and

WHEREAS, Section 106-821 of the San Fernando Zoning Ordinance (“Zoning Ordinance” or “Ordinance”) states: “Every use of property shall be required to provide the number of off-street parking spaces which satisfies the needs of the use”; and

WHEREAS, Section 106-547 of the Ordinance lists “Medical clinics” and “Dental clinics” as permitted uses in Zone SC (Service Commercial); and

WHEREAS, Section 106-822 of the Ordinance sets forth off-street parking requirements for listed categories of land use, but does not specifically identify medical or dental clinics; and

WHEREAS, Section 106-822, subpart (c) of the Ordinance currently requires one off-street parking space for each **300 square feet** of gross floor area for “Offices, studios, retail sales and services and other general commercial activities not classified elsewhere”; and

WHEREAS, in or around January 2005, after conducting workshops and public hearings to ascertain community concerns and develop goals, the City adopted Ordinance No. 1562, establishing the San Fernando Corridors Specific Plan (“Specific Plan”); and

WHEREAS, the Specific Plan established the higher parking rate of one space per **200 square feet** of floor area for dental and medical offices in its Downtown District and Maclay District as a result of finding that the rate for general commercial uses was inadequate to address the parking demand associated with such uses; and

WHEREAS, the City is currently considering an amendment to the Specific Plan off-street parking regulations to require one space per **150 square feet** of floor area for dental and medical offices throughout the Specific Plan’s zoning districts; and

WHEREAS, the City Council desires to direct City Planning Staff to study the proposal to apply the Specific Plan's off-street parking rate to all dental and medical clinics within the City, and to report its findings to both the Planning and Preservation Commission and City Council within a reasonable time; and

WHEREAS, California Government Code section 65858 authorizes the City Council to adopt an urgency ordinance for the immediate preservation of the public health, safety, or welfare, and to prohibit a land use that is in conflict with a contemplated general plan, specific plan, or zoning proposal that the City Council, Planning Commission, or Economic Development Department is considering or studying or intends to study within a reasonable time; and

WHEREAS, on October 19, 2015, the City Council adopted Urgency Ordinance No. U 1646, which instituted a 45-day moratorium on the establishment or expansion of dental or medical clinics; and

WHEREAS, Urgency Ordinance No. U 1646 will expire by operation of law on December 3, 2015; and

WHEREAS, this Ordinance serves as the City's written report describing the measures taken to alleviate the conditions that led to the adoption of the urgency ordinance, in accordance with Government Code section 65858(d). These measures include the following:

- A. On November 3, 2015, City Planning Staff conducted a publicly noticed study session at a regular meeting of the Planning and Preservation Commission to solicit input from the public and the commission on parking rates for dental and medical clinics.
- B. City Planning Staff conducted a survey of over 30 cities, including those in The San Fernando Valley Council of Governments and The San Gabriel Valley Council of Governments, to provide baseline data on parking rates for dental and medical clinics.
- C. City Planning Staff continues to research guides, studies, and other resources regarding trip generation and parking demands associated with dental and medical clinics.

WHEREAS, State law authorizes the extension of an urgency ordinance for 10 months and 15 days.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The above recitals are true and correct and incorporated herein by reference.

SECTION 2. Definition. The term “Clinic, dental or medical” shall be as defined in Zoning Ordinance section 106-6.

SECTION 3. Moratorium.

A. The City Council declares a moratorium on the acceptance, processing and approval of any application for a dental or medical clinic, and the issuance of any permit, business license, or certificate of occupancy to establish or expand a dental or medical clinic in any zone, whether allowed in the zone by right or through discretionary approval.

B. The moratorium shall be effective for the 10-month and 15-day period commencing December 2, 2015 and ending October 17, 2016, or until such earlier time that the City Council amends its Zoning Ordinance to adopt a new off-street parking rate applicable to dental and medical clinics. The moratorium may be subsequently extended for one year in accordance with Government Code section 65858.

SECTION 4. Urgency Findings. This Urgency Ordinance is adopted as an urgency measure pursuant to Government Code Section 65858 and is for the immediate preservation of the public health, safety, and welfare. This Urgency Ordinance is deemed necessary based upon the recitals herein and for the following reasons:

A. The San Fernando Corridors Specific Plan reflects the City’s policy that it is appropriate for dental and medical clinics to have an off-street parking requirement that is distinct from the general rate for unclassified commercial uses to more accurately address the parking demand they create.

B. It is the intent of the City Council to consider a higher parking rate for dental and medical clinics City-wide to relieve traffic congestion and protect surrounding areas and thereby protect the public health, safety, and welfare.

C. Amending the off-street parking requirements of the Zoning Ordinance requires study, public hearings, and both Planning and Preservation Commission and City Council review.

D. This Urgency Ordinance will afford City Planning Staff and the Planning and Preservation Commission a reasonable amount of time to study the matter.

E. The City Council finds that the establishment or expansion of dental and medical clinics within the City presents a current and immediate threat to public health, safety and welfare, and the approval of permits, licenses, or any other applicable

entitlement required by the Zoning Ordinance would result in that threat to public health, safety, or welfare. In light of these findings and all evidence in the record, the City Council finds that this moratorium is justified in accordance with Government Code section 65858.

SECTION 5. CEQA. This Urgency Ordinance is exempt from the California Environmental Quality Act (“CEQA”) based on the following:

A. This Urgency Ordinance is not a “project” within the meaning of Section 15378 of the CEQA Guidelines as it has no potential for resulting in a physical change in the environment, either directly or indirectly.

B. This Urgency Ordinance is categorically exempt from CEQA under Section 15306 of the CEQA Guidelines, as it is basic data collection, research regarding off-site parking regulations that may be applied to dental clinics and medical clinics uses in the City and is limited to information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded.

C. This Urgency Ordinance is categorically exempt from CEQA under Section 15308 of the CEQA Guidelines, as it is a regulatory action by the City and authorized by the Zoning Ordinance and Government Code Section 65858 to assure the maintenance and protection of the environment and adoption of contemplated legislation, regulation, and policies.

D. This Urgency Ordinance is not subject to CEQA under the general rule set forth in Section 15061(b)(3) of the CEQA Guidelines that CEQA only applies to projects which have the potential for causing a significant effect on the environment. For the reasons described above, it can be seen with certainty that there is no possibility that this Urgency Ordinance will have a significant effect on the environment.

SECTION 6. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Urgency Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Urgency Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

SECTION 7. Effective Date. If adopted by at least four-fifths vote of the City Council, this Urgency Ordinance shall be effective for 10 months and 15 days commencing December 2, 2015.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of San Fernando at its regular meeting on this _____ day of November, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

APPROVED AS TO FORM:

Rick R. Olivarez, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS.
CITY OF SAN FERNANDO)

I, ELENA CHÁVEZ, City Clerk of the City of San Fernando, do hereby certify that the foregoing Urgency Ordinance was adopted a regular meeting of the City Council held on the _____ day of November, 2015, and was carried by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Elena G. Chávez, City Clerk



AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Brian Saeki, City Manager
By: Fred Ramirez, Community Development Director

Date: October 19, 2015

Subject: Consideration to Adopt Urgency Ordinance No. U-1646 of the City of San Fernando Making Findings and Establishing a Temporary Moratorium on the Acceptance, Processing, and Approval of Applications and Issuance of Permits to Establish Dental or Medical Clinics

RECOMMENDATION:

It is recommended that the City Council:

- a. Conduct a Public Hearing; and
- b. Pending public testimony, waive full reading and adopt Urgency Ordinance No. U-1646 (Attachment "A") by title, "An Urgency Ordinance of the City Council of the City of San Fernando, California, making findings and establishing a temporary moratorium on the acceptance, processing, and approval of applications and issuance of permits to establish dental or medical clinics." This Ordinance is introduced pursuant to Government Code Section 36937(b) and requires a four-fifths (4/5ths) vote for adoption.

BACKGROUND:

City planning staff has seen an increase in proposals for new medical and dental facilities over the past six months. The City expects these inquiries will continue as federal and state health care regulations have increased local demand for medical and dental services. City planning staff is seeking a moratorium on the acceptance, processing, and approval of new dental and medical clinics in order to provide a reasonable period of time to study local parking regulations including those currently in place in the City's San Fernando Corridors Specific Plan in order to determine the appropriate parking regulation for off-street parking that should be applied to future requests for dental and medical clinics and similar types of uses.

Consideration to Adopt Urgency Ordinance No. U-1646 of the City of San Fernando Making Findings and Establishing a Temporary Moratorium on the Acceptance, Processing, and Approval of Applications and Issuance of Permits to Establish Dental or Medical Clinics

Page 2 of 3

ANALYSIS:

City Authority.

The California Constitution Article XI, Section 7, enables the City of San Fernando (the “City”) to enact local planning and land use regulations. The authority to adopt and enforce zoning regulations is an exercise of the City’s police power to protect the public health, safety, and welfare.

California Government Code section 65858 authorizes the City Council to adopt an urgency ordinance for the immediate preservation of the public health, safety, or welfare, and to prohibit a land use that is in conflict with a contemplated general plan, specific plan, or zoning proposal that the City Council, Planning Commission, or Community Development Department is considering or studying or intends to study within a reasonable time.

City Zoning Ordinance’s Identified Land Uses.

Section 106-821 of the San Fernando City Code (the City “Zoning Ordinance”) states: “Every use of property shall be required to provide the number of off-street parking spaces which satisfies the needs of the use”. In addition, Section 106-547 of the City Zoning Ordinance lists “Medical clinics” and “Dental clinics” as permitted uses in Zone SC (Service Commercial). Lastly, Section 106-822 of the City Zoning Ordinance also sets forth off-street parking requirements for listed categories of land use, but does not specifically identify medical or dental clinics.

Comparison of City Parking Regulations for Service Type Uses.

Section 106-822, subpart (c) of the City Zoning Ordinance currently requires one off-street parking space for each 300 square feet of gross floor area for “offices, studios, retail sales and services and other general commercial activities not classified elsewhere”. These noted parking regulations have remained unchanged since the City’s last comprehensive zoning ordinance update that occurred in June of 1987 (City Council Ordinance No. 1305).

In January of 2005, the City Council adopted the City of San Fernando’s Corridors Specific Plan (“Specific Plan”) pursuant to City Ordinance No. 1562. The Specific Plan, amongst other things, established a higher parking rate of one space per 200 square feet of floor area for medical and dental offices in its Downtown District and Maclay District as a result of finding that the rate for general commercial uses was inadequate to address the parking demand associated with such uses. Furthermore, as part of the proposed update of the Specific Plan currently underway in 2015, the City is considering an off-street parking requirement of one parking space for every 150 square feet of gross floor area for dental clinics and medical clinics as we way of addressing the increased parking demand for this type of service use and reduce potential conflicts with other retail and services type land uses.

Consideration to Adopt Urgency Ordinance No. U-1646 of the City of San Fernando Making Findings and Establishing a Temporary Moratorium on the Acceptance, Processing, and Approval of Applications and Issuance of Permits to Establish Dental or Medical Clinics

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Therefore, the City seeks a moratorium at this time on the establishment or expansion of dental and medical clinics to provide time to study the proposal to apply the Specific Plan's current or proposed off-street parking rate for dental and medical clinics within the City.

CEQA Compliance.

The proposed urgency ordinance has been reviewed for compliance with the California Environmental Quality Act (CEQA). Based on that assessment, the proposed urgency ordinance has been determined to be exempt from CEQA review pursuant to Title 14, Sections 15061(b)(3), 15306, 15308, and 15378 of the California Code of Regulations.

BUDGET IMPACT:

Approval of this urgency ordinance is not expected to have any direct impact on the City's budget, as the City staff time and the legal fees from the City Attorney's office for work on a permanent ordinance amendment would be covered under the current budget.

CONCLUSION:

Based on the aforementioned analysis, City planning staff recommends that the City Council adopt the Urgency Ordinance No. U-1646 (Attachment "A"). The urgency ordinance allows City planning staff to study the proposal to apply the Specific Plan's current or proposed off-street parking rates for dental and medical clinics. The anticipated amended parking regulations will ensure adequate on-site parking supply to meet the parking demand of dental and medical clinic type uses in a manner that protects the public health, safety, and welfare.

Subsequent to City Council approval, City planning staff will:

- Study the proposal to establish a new off-street parking rate for dental and medical clinics, and report their findings to both the Planning and Preservation Commission and City Council within a reasonable time;
- Issue a written status report to the City Council within 35 days describing the measures taken to alleviate the conditions which led to the adoption of the proposed Urgency Ordinance; and
- Notice a Public Hearing to occur within forty-five (45) days that will consider the extension of the proposed Urgency Ordinance if necessary.

ATTACHMENT:

A. Urgency Ordinance No. U-1646

ATTACHMENT "A"

URGENCY ORDINANCE NO. U-1646

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA MAKING FINDINGS AND ESTABLISHING A TEMPORARY MORATORIUM ON THE ACCEPTANCE, PROCESSING, AND APPROVAL OF APPLICATIONS AND ISSUANCE OF PERMITS TO ESTABLISH DENTAL OR MEDICAL CLINICS

RECITALS

WHEREAS, California Constitution Article XI, Section 7, enables the City of San Fernando (the "City") to enact local planning and land use regulations; and

WHEREAS, the authority to adopt and enforce zoning regulations is an exercise of the City's police power to protect the public health, safety, and welfare; and

WHEREAS, California Government Code section 65858 authorizes the City Council to adopt an urgency ordinance for the immediate preservation of the public health, safety, or welfare, and to prohibit a land use that is in conflict with a contemplated general plan, specific plan, or zoning proposal that the City Council, Planning Commission, or Community Development Department is considering or studying or intends to study within a reasonable time; and

WHEREAS, Section 106-821 of the San Fernando Zoning Ordinance ("Zoning Ordinance" or "Ordinance") states: "Every use of property shall be required to provide the number of off-street parking spaces which satisfies the needs of the use"; and

WHEREAS, Section 106-547 of the Ordinance lists "Medical clinics" and "Dental clinics" as permitted uses in Zone SC (Service Commercial); and

WHEREAS, Section 106-822 of the Ordinance sets forth off-street parking requirements for listed categories of land use, but does not specifically identify medical or dental clinics; and

WHEREAS, Section 106-822, subpart (c) of the Ordinance currently requires one off-street parking space for each **300 square feet** of gross floor area for "Offices, studios, retail sales and services and other general commercial activities not classified elsewhere"; and

WHEREAS, in or around January 2005, after conducting workshops and public hearings to ascertain community concerns and develop goals, the City adopted Ordinance No. 1562, establishing the San Fernando Corridors Specific Plan ("Specific Plan"); and

WHEREAS, the Specific Plan established the higher parking rate of one space per **200 square feet** of floor area for medical and dental offices in its Downtown District and Maclay District as a result of finding that the rate for general commercial uses was inadequate to address the parking demand associated with such uses; and

WHEREAS, the City is currently considering an amendment to the Specific Plan off-street parking regulations in order to provide for one space per **150 square feet** of floor area for medical and dental offices throughout all of the Specific Plan's zoning districts.

WHEREAS, the City seeks a moratorium on the establishment or expansion of dental and medical clinics to provide time to study the proposal to apply the Specific Plan's off-street parking rate for dental and medical clinics to all C-1 and C-2 commercial zones within the City; and

WHEREAS, the City Council desires to direct Planning Division Staff to conduct such a study and to report its findings to both the Planning Commission and City Council within a reasonable time.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. **Recitals.** The above recitals are true and correct and incorporated herein by reference.

SECTION 2. **Definition.** The term "Clinic, dental or medical" shall be as defined in Zoning Ordinance section 106-6.

SECTION 3. **Moratorium.**

A. The City Council declares a moratorium on the acceptance, processing and approval of any application for a dental or medical clinic, and the issuance of any permit, business license, or certificate of occupancy to establish or expand a dental or medical clinic in any zone, whether allowed in the zone by right or through discretionary approval.

B. The moratorium shall be effective for the period set forth in this Urgency Ordinance and extensions thereof, or until such earlier time that the City Council amends its Zoning Ordinance to adopt a new off-street parking rate applicable to dental and medical clinics.

SECTION 4. **Urgency Findings.** This Urgency Ordinance is adopted as an urgency measure pursuant to Government Code Section 65858 and is for the immediate preservation of the public health, safety, and welfare. This Urgency Ordinance is deemed necessary based upon the recitals herein and for the following reasons:

A. The San Fernando Corridors Specific Plan reflects the City's policy that it is appropriate for dental and medical clinics to have an off-street parking requirement that is distinct from the general rate for unclassified commercial uses to more accurately address the parking demand they create.

B. It is the intent of the City Council to consider a higher parking rate for dental and medical clinics in C-1 and C-2 commercial zones City-wide to relieve traffic congestion and protect surrounding areas and thereby protect the public health, safety, and welfare.

C. Amending the off-street parking requirements of the Zoning Ordinance requires study, public hearings, and both Planning Commission and City Council review.

D. This Urgency Ordinance will afford Staff and the Planning Commission a reasonable amount of time to study the matter.

E. In light of these findings and all evidence in the record, the City Council finds that this moratorium is justified in accordance with Government Code section 65858.

SECTION 5. CEQA. This Urgency Ordinance is exempt from the California Environmental Quality Act (“CEQA”) based on the following:

A. This Urgency Ordinance is not a “project” within the meaning of Section 15378 of the CEQA Guidelines as it has no potential for resulting in a physical change in the environment, either directly or indirectly.

B. This Urgency Ordinance is categorically exempt from CEQA under Section 15306 of the CEQA Guidelines, as it is basic data collection, research regarding off-site parking regulations that may be applied to dental clinics and medical clinics uses in the City and is limited to information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded.

C. This Urgency Ordinance is categorically exempt from CEQA under Section 15308 of the CEQA Guidelines, as it is a regulatory action by the City and authorized by the Zoning Ordinance and Government Code Section 65858 to assure the maintenance and protection of the environment and adoption of contemplated legislation, regulation, and policies.

D. This Urgency Ordinance is not subject to CEQA under the general rule set forth in Section 15061(b)(3) of the CEQA Guidelines that CEQA only applies to projects which have the potential for causing a significant effect on the environment. For the reasons described above, it can be seen with certainty that there is no possibility that this Urgency Ordinance will have a significant effect on the environment.

SECTION 6. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Urgency Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Urgency Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

SECTION 7. Effective Date. Pursuant to Government Code section 36937, this Urgency Ordinance shall become effective immediately upon adoption if adopted by at least four-fifths vote of the City Council and shall be in effect for 45 days from the date of adoption unless extended by the City Council as provided for in Government Code section 65858.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of San Fernando at its regular meeting on this _____ day of October, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

APPROVED AS TO FORM:

Rick R. Olivarez, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) **SS.**
CITY OF SAN FERNANDO)

I, ELENA CHÁVEZ, City Clerk of the City of San Fernando, do hereby certify that the foregoing Ordinance was adopted a regular meeting of the City Council held on the _____ day of October, 2015, and was carried by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Elena G. Chávez, City Clerk



AGENDA REPORT

To: Planning and Preservation Commission Chairperson Haupt and Commissioners

From: Fred Ramirez, Community Development Director

Date: November 3, 2015

Subject: Study Session Regarding Parking Rates for Dental and Medical Clinics

RECOMMENDATION:

It is recommended that subsequent to City Planning Staff's presentation and consideration of any public comments, the Planning and Preservation Commission provide City Planning Staff with feedback on the proposed changes to the parking rates for dental and medical clinics as a first step in preparing a zone text amendment for subsequent consideration by the commission and the city council.

EXECUTIVE SUMMARY:

At the November 3, 2015 Planning and Preservation Commission meeting, the commission will conduct a study session to review existing and proposed parking rates for dental and medical clinics. The study session is being conducted in light of the City Council's recent adoption of the Urgency Ordinance (U-1646) placing a moratorium on new dental and medical clinics. (See Attachment 1.) The Planning and Preservation Commission is being asked to provide City planning staff with feedback on the proposed changes to the parking rates for dental and medical clinics as a first step in preparing a zone text amendment. A zone text amendment will be brought back to the Planning and Preservation Commission at a later date for recommendation to the City Council for approval. The meeting is also intended to solicit valuable community input from interested members of the public so as to better inform the City's zoning amendment efforts.

BACKGROUND:

1. Over the past six months City Planning Staff has received applications and multiple public counter inquiries to establish dental clinics or medical clinics in the City's C-1 (Limited Commercial) and C-2 (Commercial) zones. The current parking rate for dental and medical clinics in the C-1 and C-2 zones requires one (1) off-street parking space for every 300 square feet of gross floor area.
2. Over the past twelve months, City Planning Staff and the City Consultant (Sargent Town Planning) have been working on the preparation of an Amendment to the San Fernando Corridors Specific Plan (the "Specific Plan"). Included as part of the Specific Plan

Study Session Regarding Parking Rates for Dental and Medical Clinics

November 3, 2015

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amendments are modification of the parking rate in the Specific Plan Area No. 4 (SP-4) Zone for dental and medical clinics from the current rate of one (1) off-street parking space for every 200 square feet of gross floor area to an increased parking rate of one (1) off-street parking space for every 150 square feet of gross floor area.

3. On October 19, 2015, the City Council adopted Urgency Ordinance No. U-1646, instituting a 45-day moratorium on the processing, approval, and issuance of permits to establish or expand dental or medical clinics.
4. On October 23, 2015, a public hearing notice for the November 3, 2015 Planning and Preservation Commission study session regarding the parking rates for dental and medical clinics was published in the Friday, October 23, 2015 edition of *The Los Angeles Daily News*.

ANALYSIS:

Dental and medical clinics tend to generate considerable demand for parking. In contrast to other service type uses such as general office uses, dental and medical clinics tend to have larger staffs, queues in waiting rooms, and accommodate emergency visits. The combination of waiting rooms, emergency visits, and larger staffs for clinic as opposed to general office uses tend to generate higher trip volumes and create greater demands for parking for employees and visitors to these types of clinics. (Source: Trip Generation Rates from the Institute of Transportation Engineers Handbook; Trip generation rates based on a thousand square feet calculation.) Typically, the peak periods for vehicle trips and parking demand occurs between the hours of 7:00 am and 5:00 pm.

Clinic and Service Use Definitions

San Fernando City Code Section 106-3 notes the following definitions for clinics and service type uses:

- “*Clinic, dental or medical* means a health facility providing diagnosis, treatment or care to patients not confined to the facility as inpatients. Care may include but is not limited to the provision of medical, surgical, dental, mental health, rehabilitation, podiatric, optometric or chiropractic services.”
- “*Service* means an act or any result of useful labor which does not in itself produce a tangible product”; included amongst other uses in this category are general offices.

Institute of Transportation Engineers notes the following definitions for clinics and general offices:

- “A clinic is any facility that provides limited diagnostic and outpatient care, but is unable to provide prolonged in-house medical and surgical care”—[Land Use: Clinic-630]
- “A general office building housing multiple tenants; it is a location where affairs of businesses, commercial or industrial organizations, or professional persons or firms are

Study Session Regarding Parking Rates for Dental and Medical Clinics

November 3, 2015

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conducted. An office building or buildings may contain a mixture of tenants including professional services; insurance companies; investment brokers; and tenant services, such as banks or savings and loan institution; a restaurant or cafeteria and service retail facilities”—[Land Use: General Office-710]. (Source: Trip Generation Rates from the Institute of Transportation Engineers Handbook.)

City Parking Regulations Existing and Proposed

San Fernando City Code Section 106-821 of the San Fernando Zoning Ordinance (“Zoning Ordinance” or “Ordinance”) states: “Every use of property shall be required to provide the number of off-street parking spaces which satisfies the needs of the use”. City Code Section 106-547 of the Ordinance lists “Medical clinics” and “Dental clinics” as permitted uses in Zone SC (Service Commercial). (See Attachment 2: City Zoning Map.) Furthermore, City Code Section 106-822 of the Ordinance sets forth off-street parking space requirements for listed categories of land use, but does not specifically identify medical or dental clinics.

City Code Section 106-822(c) of the Ordinance currently requires one (1) off-street parking space for each 300 square feet of gross floor area for “Offices, studios, retail sales and services and other general commercial activities not classified elsewhere”.

In January of 2005, after conducting workshops and public hearings to determine community concerns and develop goals, the City Council adopted Ordinance No. 1562, establishing the San Fernando Corridors Specific Plan (“Specific Plan”). The Specific Plan identified dental and medical clinics as permitted and conditionally permitted uses in specific zoning districts and sub-districts of the plans SP-4 (Corridors Specific Plan) Zone. Furthermore, the Specific Plan established the parking rate of one (1) off-street space per 200 square feet of floor area for medical and dental offices in its SP-4 Zone, Downtown District and Maclay District as a result of finding that the rate for general commercial uses was inadequate to address the parking demand associated with such uses.

On October 6, 2015, the Planning and Preservation Commission reviewed proposed zone text amendments as part of Specific Plan Amendment that included a higher parking rate for dental and medical clinics of one (1) off-street parking space for every 150 square feet of floor area.

Survey Results of Municipal Parking Rates

In order to provide a baseline analysis for the commission’s consideration of the City of San Fernando’s proposed and existing off-street parking requirements, City Planning Staff conducted a survey (see Attachment 3, Table 1: Summary Results of Municipal Off-street Parking Rates for Dental and Medical Clinics) of parking rates for dental and medical clinics for other surrounding agencies that like San Fernando are a part of the San Fernando Valley Council of Governments. The survey also looked at dental and medical clinic off-street parking requirements for agencies that are a part of the San Gabriel Valley Council of Governments.

Study Session Regarding Parking Rates for Dental and Medical Clinics

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Reason for Seeking Commission Input Now

As previously noted, action of the City Council on October 19, 2015 adopting a 45-day moratorium on the processing, approval, and permit issuance to establish dental and medical clinics in any zone will expire on December 3, 2015. As with any zone text amendment, the input of the commission is critical in providing City Planning Staff, the City Attorney, and eventually the City Council with feedback on the proposed zone text amendment. Feedback at this time will ensure proposed zoning regulations are consistent with the City's General Plan, protect public health, safety, and welfare and in this case facilitate the orderly development of the City's C-1 and C-2 commercial corridors. In addition, commission feedback at this juncture will allow planning staff to incorporate commission and public input into a subsequent staff report to the City Council advising on the time necessary to fully evaluate the proposed zone text amendment. As previously noted, any future zone text amendment would be considered for review and recommendation by the Planning and Preservation Commission prior to being submitted for City Council review and approval as part of a future ordinance.

CONCLUSION:

It is staff's assessment that a zone text amendment is warranted in order to establish a specific requirement that identifies a specific parking rate for medical and dental clinics in the C-1 and C-2 zones. Furthermore, City Planning Staff recommends that the commission consider establishing these new parking rates that are consistent with either; the proposed parking rate for dental and medical clinics in the SP-4 Zone of one (1) off-street parking space for every 150 square feet of gross floor area; or, the existing SP-4 parking rate of one (1) off-street parking spaces for every 200 square feet of gross floor area for dental and medical clinics.

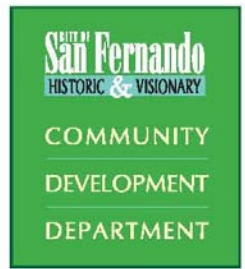
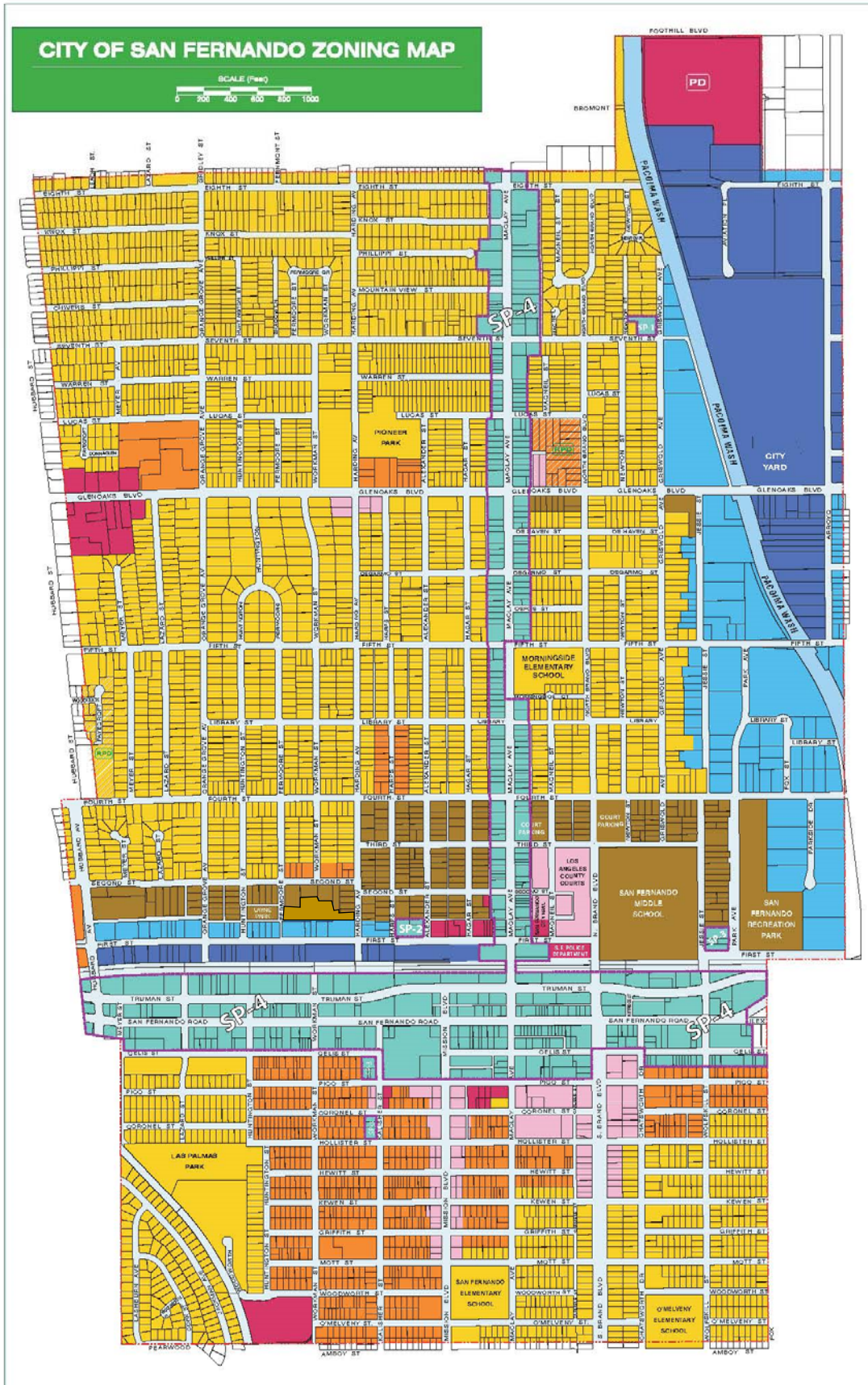
Based on commission input, City Planning Staff and the City Attorney will incorporate public and commission input from this study session into a future staff report to the City Council with a request for additional time necessary via a moratorium extension in order to complete staff assessment of potential parking rates for dental and medical clinics and prepare a draft ordinance as part of a zone text amendment for commission and council consideration.

ATTACHMENTS:

- A. Urgency Ordinance No. U-1646
- B. City Zoning Map
- C. Table 1: Summary Results of Municipal Off-street Parking Rates for Dental and Medical Clinics

**ATTACHMENT 1
TO NOVEMBER 3, 2015 PLANNING AND PRESERVATION COMMISSION STAFF REPORT:
NOTED AS OCTOBER 19, 2015 CITY COUNCIL STAFF REPORT REGARDING CONSIDERATION TO
ADOPT URGENCY ORDINANCE NO. U-1646**

**SEE ATTACHMENT "B" TO THIS NOVEMBER 16, 2015 CITY COUNCIL REPORT
REGARDING URGENCY ORDINANCE NO. U-1647**



- R-1** Single Family Residential
- R-2** Multiple Family Dwelling
- R-3** Multiple Family
- C-1** Limited Commercial
- C-2** Commercial
- SC** Service Commercial
- M-1** Limited Industrial
- M-2** Light Industrial
- SP-4** Corridors Specific Plan
- RPD** Residential Planned Development
- PD** Precise Development Overlay
- City Boundary



to November 3, 2015 Planning and Preservation Commission Staff Report

Table 1: Summary Results of Municipal Off-street Parking Rates for Dental and Medical Clinics

City	Clinics-Dental and Medical Parking Rate (number of off-street parking spaces per specified square foot amount of gross floor area (GFA))
San Fernando (C-1 and C-2 Zones)-existing	one (1) parking spaces for every 300 sq. ft. of GFA
San Fernando (SP-4 Zone)-existing	one (1) parking spaces for every 200 sq. ft. of GFA
San Fernando (SP-4 Zone)-proposed	one (1) parking spaces for every 150 sq. ft. of GFA
San Fernando Valley Council of Government Cities*	
Burbank	one (1) parking spaces for every 200 sq. ft. of GFA
Glendale	one (1) parking spaces for every 200 sq. ft. of GFA
Santa Clarita	one (1) parking spaces for every 200 sq. ft. of GFA
Los Angeles	one (1) parking spaces for every 200 sq. ft. of GFA
Burbank	one (1) parking spaces for every 200 sq. ft. of GFA
<i>*City of San Fernando and **LA County are members of the San Fernando Valley Council of Governments</i>	
San Gabriel Valley Council of Government Cities	
Alhambra	one (1) parking spaces for every 200 sq. ft. of GFA
Arcadia	one (1) parking spaces for every 166 sq. ft. of GFA
Asuza	one (1) parking spaces for every 300 sq. ft. of GFA
Baldwin Park	one (1) parking spaces for every 200 sq. ft. of GFA
Bradbury	one (1) parking spaces for every 0 sq. ft. of GFA
Claremont	one (1) parking spaces for every 250 sq. ft. of GFA
Covina	one (1) parking spaces for every 150 sq. ft. of GFA
Diamond Bar	one (1) parking spaces for every 250 sq. ft. of GFA
Duarte	one (1) parking spaces for every 200 sq. ft. of GFA
El Monte	one (1) parking spaces for every 250 sq. ft. of GFA
Glendora	one (1) parking spaces for every 250 sq. ft. of GFA
Industry	one (1) parking spaces for every 250 sq. ft. of GFA
Irwindale	one (1) parking spaces for every 200 sq. ft. of GFA
La Canada Flintridge	one (1) parking spaces for every 266 sq. ft. of GFA
La Puente	one (1) parking spaces for every 300 sq. ft. of GFA
La Verne	one (1) parking spaces for every 200 sq. ft. of GFA
Monrovia	one (1) parking spaces for every 200 sq. ft. of GFA
Montebello	one (1) parking spaces for every 200 sq. ft. of GFA
Monterey Park	one (1) parking spaces for every 182 sq. ft. of GFA
Pasadena	one (1) parking spaces for every 250 sq. ft. of GFA
Pomona	one (1) parking spaces for every 200 sq. ft. of GFA
Rosemead	one (1) parking spaces for every 250 sq. ft. of GFA
San Dimas	one (1) parking spaces for every 200 sq. ft. of GFA
San Gabriel	one (1) parking spaces for every 200 sq. ft. of GFA
San Marino	one (1) parking spaces for every 150-200 sq. ft. of GFA
Sierra Madre	one (1) parking spaces for every 300 sq. ft. of GFA
South El Monte	one (1) parking spaces for every 300 sq. ft. of GFA
South Pasadena	one (1) parking spaces for every 200 sq. ft. of GFA
Temple City	one (1) parking spaces for every 200 sq. ft. of GFA
Walnut	one (1) parking spaces for every 250 sq. ft. of GFA
West Covina	one (1) parking spaces for every 150 sq. ft. of GFA
LA County**	one (1) parking spaces for every 400 sq. ft. of GFA



CITY OF SAN FERNANDO
PLANNING AND PRESERVATION COMMISSION

DRAFT MINUTES OF THE
NOVEMBER 3, 2015, STUDY SESSION
CITY HALL COUNCIL CHAMBER

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE PLANNING COMMISSION. AUDIO OF THE ACTUAL MEETING ARE AVAILABLE FOR LISTENING IN THE COMMUNITY DEVELOPMENT DEPARTMENT.

CALL TO ORDER

The meeting was called to order by at 6:30 P.M.

PLEDGE OF ALLEGIANCE

Led by Theale Haupt

ROLL CALL

The following persons were recorded as present:

PRESENT:

Chairperson Theale Haupt, Vice-chair Alvin Durham, Commissioners, Yvonne Mejia and David Bernal

ABSENT

Commissioner Kevin Beaulieu (excused)

ALSO PRESENT

Community Development Director Fred Ramirez, Assistant City Attorney Richard Padilla, Associate Humberto Quintana, and Community Development Secretary Michelle De Santiago

APPROVAL OF AGENDA

Vice-chair A. Durham, moved to approve the agenda of the November 3, 2015. Seconded by Commissioner Y. Mejia, the motion carried with the following vote:

AYES:	A. Durham, Y. Mejia, D. Bernal and T. Haupt
NOES:	None
ABSENT:	K. Beaulieu
ABSTAIN:	None

PLANNING AND PRESERVATION COMMISSION

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CONSENT CALENDAR

Commissioner Y. Mejia moved to approve the minutes of the October 6, 2015 Planning and Preservation Commission Meeting. Seconded by Commissioner D. Bernal, the motion carried with the following vote:

AYES:	Y. Mejia, D. Bernal, A. Durham, and T. Haupt
NOES:	None
ABSENT:	K. Beaulieu
ABSTAIN:	None

UNFINISHED BUSINESS

None

PUBLIC HEARING 2

Study session regarding parking rates for dental and medical clinics – City of San Fernando, 117 Macneil Street, San Fernando, CA 91340 – The City of San Fernando will conduct a study session in light of the adoption of the urgency ordinance placing a moratorium on new medical and dental clinics. Proposed parking rates will be presented by staff to the Planning and Preservation Commission order to solicit commission input and obtain direction so city staff can develop a new off-street parking rate. A zone text amendment will be brought back to the Planning and Preservation Commission at a later date for recommendation to the City Council for approval.

STAFF PRESENTATION

Community Development Director Fred Ramirez gave the staff presentation recommending that subsequent to city planning staff's presentation and consideration of any public comments, the Planning and Preservation Commission provide City Planning staff with feedback on the proposed changes to the parking rates for dental and medical clinics amendment for subsequent consideration by the commission and the City Council.

PUBLIC COMMENTS

Pilar Enriquez – 858 N. Huntington Street, San Fernando, CA 91340 – Ms. Enriquez stated that the City of San Fernando is already experiencing lack of parking. She asked about the existing businesses and the availability of parking for them. She stated that she doesn't see medical and dental clinics generating revenues for the City. She asked how long would these new rates be in place.

Christine Bernal – 702 Fourth Street, San Fernando, CA – Ms. Bernal stated that there are currently plenty of medical and dental clinics established in the City of San Fernando. She asked why the city doesn't focus on bringing in additional businesses such as a boutique or restaurants.

PLANNING AND PRESERVATION COMMISSION

Regular Meeting Minutes – November 3, 2015

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She stated that the city doesn't have enough parking for the patrons of the existing businesses and that the moratorium should be in place as long as possible.

Steve Bravo – Mr. Bravo asked if this was an attempt to create additional revenues for the city. He stated that there is already a lack of parking.

COMMISSION DISCUSSION

A. Durham asked how this will affect the existing businesses.

F. Ramirez stated that the moratorium does not allow the city to process any new applications for medical and dental uses and the existing businesses would continue to operate under the current city permits.

Y. Mejia asked if existing medical and dental location charge their patients for parking or if they validate parking.

T. Haupt inquired about whether or not the city precludes property owners/businesses from charging for on-site parking.

F. Ramirez noted that there are currently no restrictions on property owners/businesses charging for on-site parking. He also noted that the purpose of the moratorium was to allow additional time to evaluate the parking rates for these types of uses in order to establish the appropriate parking requirement to address their unique on-site parking demand. Furthermore, he state that the City wants to allow for feedback from the Planning and Preservation Commission and the general public and it is currently under a 45 moratorium, but based on the Planning and Preservation Commission's feedback we can extend it for 10 month and 15 days plus 12 more months to allow staff to conduct research for the different options regarding the parking rates.

D. Bernal stated that staff should take as much time as they need to do analysis and look at the existing usages.

T. Haupt asked what locations have been inquired about with regards to medical or dental clinics.

F. Ramirez indicated that the retail strip at 2040 Glenoaks Boulevard, the site across the street from that at 2055 Glenoaks Boulevard, and at 757 S. Workman Street; all of which are in the C-2 (Commercial) zone.

D. Bernal asked if the operation of a dental or medical clinic is established in a multi-level site will they too have to adhere to the determined rate.

F. Ramirez stated that yes no matter if it is a multi-level or single story building the city designated parking rate would apply.

PLANNING AND PRESERVATION COMMISSION

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T. Haupt asked if the Commission can suggest tandem parking and/or use of valet parking to improve the efficiency of how on-site parking is used for these types of businesses. Additionally, he inquired if off-street parking could be counted towards number of spaces being provided at the location.

A. Durham asked if the existing bridal shops meet the required parking. He stated he would like to see the businesses from the 70's back in town.

Y. Mejia asked about parking by permit in the commercial and residential zones.

T. Haupt said that there seems to be a consensus from the commission to implement the 1/150 rate.

F. Ramirez stated that the all public and commission input from tonight's meeting will be compiled and based on the findings and the commission's recommendations staff will develop a report to be presented to the City Council at a subsequent public hearing on this issue.

STAFF COMMUNICATIONS

Introduced the departments new Associate Planner, Humberto Quintana.

F. Ramirez asked for the Commission feedback on starting meetings at 6:00 p.m.

F. Ramirez informed the Commission that a Transportation and Safety Commission meeting on neighborhood parking permits would be taking place the following night (November 4, 2015) in the Council Chambers.

COMMISSION COMMENTS

D. Bernal asked who he could report commercial vehicles parked in the residential zones.

PUBLIC STATEMENTS

None.

ADJOURNMENT

Vice-chair A. Durham moved to adjourn to December 8, 2015. Second by Commissioner D. Bernal, the motion carried with the following vote:

AYES:	A. Durham, D. Bernal, T. Haupt, and Y. Mejia
NOES:	None
ABSENT:	K. Beaulieu
ABSTAIN:	None

7:55 P.M.

Fred Ramirez

Planning Commission Secretary



THE CITY OF SAN FERNANDO

REPORT ON URGENCY ORDINANCE NO. U-1646

Date: November 6, 2015

Subject: Report on Urgency Ordinance No. U-1646 Prepared Pursuant to California Government Code Section 65858(d) Regarding the Temporary Moratorium on the Acceptance, Processing, and Approval of Applications and Issuance of Permits to Establish Dental or Medical Clinics

This report on Urgency Ordinance No. U-1646 is being prepared pursuant to California Government Code Section 65858(d).

City planning staff has seen an increase in proposals for new medical and dental facilities over the past seven months. The City expects these inquiries will continue as federal and state health care regulations have increased local demand for medical and dental services.

Section 106-821 of the San Fernando City Code (the City "Zoning Ordinance") states: "Every use of property shall be required to provide the number of off-street parking spaces which satisfies the needs of the use". In addition, Section 106-547 of the City Zoning Ordinance lists "Medical clinics" and "Dental clinics" as permitted uses in Zone SC (Service Commercial). Lastly, Section 106-822 of the City Zoning Ordinance also sets forth off-street parking requirements for listed categories of land use, but does not specifically identify medical or dental clinics.

Section 106-822, subpart (c) of the City Zoning Ordinance currently requires one off-street parking space for each 300 square feet of gross floor area for "offices, studios, retail sales and services and other general commercial activities not classified elsewhere". These noted parking regulations have remained unchanged since the City's last comprehensive zoning ordinance update that occurred in June of 1987 (City Council Ordinance No. 1305).

In January of 2005, the City Council adopted the City of San Fernando's Corridors Specific Plan ("Specific Plan") pursuant to City Ordinance No. 1562. The Specific Plan, amongst other things, established a higher parking rate of one space per 200 square feet of floor area for medical and dental offices in its Downtown District and Maclay District as a result of finding that the rate for general commercial uses was inadequate to address the parking demand associated with such uses. Furthermore, as part of the proposed update of the Specific Plan currently underway in 2015, the City is considering an off-street parking requirement of one parking space for every 150 square feet of gross floor area for dental clinics and medical clinics to address the parking demand and reduce potential conflicts with other retail and services type land uses.

On October 19, 2015, the San Fernando City Council adopted Urgency Ordinance No. U-1646 establishing a temporary moratorium on the acceptance, processing, and approval of applications and issuance of permits to establish dental or medical clinics. The temporary

REPORT ON URGENCY ORDINANCE NO. U-1646

ISSUED NOVEMBER 6, 2015

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moratorium on the acceptance, processing, and approval of new dental and medical clinics is intended to provide City Planning Staff with a reasonable period of time to study local parking regulations including those currently in place in the City's San Fernando Corridors Specific Plan in order to determine the appropriate parking regulation for off-street parking that should be applied to future request for dental and medical clinics and similar types of uses.

Since the adoption of the Ordinance No. U-1646, City Planning Staff has taken various steps in order to research and study a possible parking regulation that establishes a off-street parking rate (e.g., number of off-street parking spaces required per specified amount of gross floor area) for medical and dental clinics that addresses increased traffic and parking demand attributed to these types of uses.

These steps include, but are not limited to, the following:

- City Planning Staff conducted a publicly noticed study session with the Planning and Preservation Commission at their regular meeting held on November 3, 2015 in order to solicit input from the public and the commission on potential parking rates to be applied to dental and medical clinics;
- City Planning Staff conducted a survey of over 30 cities including those in The San Fernando Valley Council of Governments and The San Gabriel Valley Council of Governments to provide baseline data regarding parking rates applied by other communities for off-street parking required for dental or medical clinics;
- City Planning Staff continues searching for resources, guides, studies or other documentation regarding the trip generation and parking demands associated with medical or dental clinics.

At this time, however, City Planning Staff requires more data to make a final determination on the appropriate parking rate to apply to clinics and protect adjoining land uses and access to limited off-street parking facilities. In order to develop the most appropriate parking regulation for dental and medical clinics, it is City Planning Staff's assessment that an extended moratorium, preserving the status quo, would provide sufficient time for staff to evaluate options and provide the City Council with a recommendation on a long-term solution to the issue. Without the extension of the temporary moratorium, using the current parking rates may cause adverse impacts to surrounding development and detrimentally affect the public health, safety, and general welfare.

As a result, City Planning Staff is currently preparing a report and public hearing notice to request that the City Council render a decision on an extension to the 45-day moratorium adopted by Ordinance No. U-1646, for an additional 10 months and 15 days, which would expire on December 3, 2015.

Posted at:

- City Hall Bulletins
- City Website: www.sfcity.org

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Brian Saeki, City Manager
By: Richard Padilla, Deputy City Attorney

Date: November 16, 2015

Subject: Consideration to Adopt an Ordinance Amending Division I (Generally) of Article V (Boards, Commissions, Committees, Agencies, and Authorities) of Chapter 2 (Administration) Regarding the Appointment, Removal, and Rules of Decorum for City Commissioners

RECOMMENDATION:

It is recommended that the City Council:

- a. Receive report from City staff; and
- b. Introduce for first reading, in title only, and waive further reading of Ordinance No. 1648 (Attachment "A"), "An Ordinance of the City Council of the City of San Fernando Amending Division I (Generally) of Article V (Boards, Commissions, Committees, Agencies, and Authorities) of Chapter 2 (Administration) Regarding the Appointment, Removal, and Rules of Decorum for City Commissioners"

BACKGROUND:

The City Council has broad authority to appoint boards and commissions as part of the sub-government of the City. Members of boards and commissions, which the City Council appoints, serve at the pleasure of the City Council, pursuant to Government Code Section 36506. The City Council seeks to augment regulations concerning the removal of commissioners and board members appointed by the City Council and establish rules of decorum applicable to such commissioners and board members.

ANALYSIS:

Reference is made to the document entitled "Procedural Manual: City Council of the City of San Fernando," (the "Procedural Manual") which was last amended on October 19, 2015. The Procedural Manual sets forth protocol for the City Council's conduct of meetings, including, but

Consideration to Adopt an Ordinance Amending Division I (Generally) of Article V (Boards, Commissions, Committees, Agencies, and Authorities) of Chapter 2 (Administration) Regarding the Appointment, Removal, and Rules of Decorum for City Commissioners

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not limited to, meeting agendas, parliamentary procedure, and decorum. Currently, the decorum procedures set forth in the Procedural Manual do not apply to appointed members of City boards and Commissions. The proposed Ordinance No. 1648 would expand the application of such decorum rules beyond the members of the City Council to include appointed members of boards and commissions.

In addition, Ordinance No. 1648, would establish a procedure for the removal of appointed members of boards and commissions. Specifically, it would provide for the removal of such, with or without cause, either by a majority of the entire membership of the City Council or by the member of the City Council who individually appointed such commissioner or board member. This will help address the current ambiguity in the San Fernando Municipal Code regarding the removal of appointed commissioners and board members.

CONCLUSION:

Based on the aforementioned analysis, City staff recommends that the City Council adopt the attached Ordinance No. 1648.

BUDGET IMPACT:

The City Council's adoption of Ordinance No. 1648 would have no significant fiscal impact.

ATTACHMENT:

A. Ordinance No. 1648

ATTACHMENT "A"**ORDINANCE NO. 1648****AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO AMENDING DIVISION I (GENERALLY) OF ARTICLE V (BOARDS, COMMISSIONS, COMMITTEES, AGENCIES, AND AUTHORITIES) OF CHAPTER 2 (ADMINISTRATION) REGARDING THE APPOINTMENT, REMOVAL, AND RULES OF DECORUM FOR CITY COMMISSIONERS****RECITALS**

WHEREAS, the City Council of the city of San Fernando (the "City Council" of the "City") has broad authority to appoint boards and commissions as part of the sub-government of the City; and

WHEREAS, appointed members of boards and commissions serve at the pleasure of the City Council, pursuant to Government Code Section 36506; and

WHEREAS, the City Council seeks to augment regulations concerning the removal of commissioners and board members appointed by the City Council and establish rules of decorum applicable to such commissioners and board members; and

WHEREAS, such new regulations and rules shall supplement the existing regulations set forth in Division 1 (Generally) of Article II (City Council) of Chapter 2 (Administration) of the San Fernando Municipal Code, which shall be transferred to that portion of the San Fernando Municipal Code concerning City commissions and similar bodies in order to facilitate the logical and orderly organization of the San Fernando Municipal Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

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

SECTION 2. Division 1 (Generally) of Article II (City Council) of Chapter 2 (Administration) of the San Fernando Municipal Code is amended by the deletion of Section 2-33, Section 2-34, Section 2-35, and Section 2-36, which shall become reserved.

SECTION 3. Reserved Division 1 (Generally) of Article V (Boards, Commissions, Committees, Agencies and Authorities) of Chapter 2 (Administration) of the San Fernando Municipal Code shall hereby read as follows:

Division 1 – Generally

Sec. 2-401 Appointment of city commissioners.

Sec. 2-402 Method of appointment to commissions.

Sec. 2-403 Removal of commission members; vacancies.**Sec. 2-404 Term of commissioners.****Sec. 2-405 Rules of decorum for commissions.**

Sec. 2-401 Appointment of city commissioners.

- (a) The city council shall have the authority to appoint individuals to city commissions.
- (b) Appointed members of boards and commissions serve at the pleasure of the city council, pursuant to Government Code Section 36506.
- (c) For purposes of this Division 1, “commissions” shall include, but not be limited to, city commissions, boards, committees, and other bodies comprised of members appointed by the city council.

Sec. 2-402 Method of appointment to commissions.

Unless otherwise specified in this code, each city councilmember will be assigned a position that will correlate to a position on each commission. That councilmember will have the authority to nominate an individual to serve in the assigned position on the commission. Each such nomination shall require ratification by a majority of the city council.

Sec. 2-403 Removal of commission members; vacancies.

- (a) All commissioners serve at the pleasure of the City Council and any commissioner may be removed, with or without cause, either by a majority of the entire membership of the city council or by the councilmember who individually appointed such commissioner.
- (b) If vacancies in any commission occur, other than by expiration of the term, such vacancies shall be filled by appointment for the unexpired portion of the term. The city council member who nominated the vacating commission member shall nominate a replacement commissioner, subject to ratification by a majority of the city council.

Sec. 2-404 Term of commissioners.

The term of office for each commission member shall be one year; however, each member shall continue in the position beyond one year until replaced by the assigned city councilmember or until the member resigns.

Sec. 2-405 Rules of decorum for commissions.

- (a) Decorum and order – commissioners.

- (1) Commissioners shall accord the utmost courtesy to each other, to city employees, and to the public appearing before the commission and shall refrain at all times from rude and derogatory remarks, reflections as to integrity, abusive comments, and statements as to motives and personalities.
 - (2) Every commissioner desiring to speak shall address the chair of the commission and, upon recognition by such chair, shall confine discussion to the question under debate.
 - (3) Every commissioner desiring to question administrative staff should address questions to the city manager who may answer the inquiry directly or designate the appropriate staff member to timely respond to such inquiry.
 - (4) A commissioner, once recognized, shall not be interrupted while speaking, unless called to order by the chair of the commission, or a point of order is raised by another commissioner, or the speaker chooses to yield to questions from another commissioner.
 - (5) Any commissioner may move to require the chair of the commission to enforce the rules. A majority of the commission shall require enforcement of the rules if the chair of the commission has refused.
- (b) Decorum and order – employees. Members of administrative staff and city employees shall observe the same rules of procedure and decorum applicable to members of commissions. The city manager shall ensure that all city employees observe such decorum. Any staff member, including the city manager, desiring to address the commission or members of the public shall first be recognized by the chair of the commission. All remarks should be addressed to the chair of the commission and not to any one individual commissioner or member of the public.
- (c) Decorum and order – public. Members of the public attending commission meetings shall observe the same rules of order and decorum applicable to the commission. Each person who addresses the commission shall not make personal, impertinent, slanderous or profane remarks to any member of the commission, staff or general public. Any person who makes such remarks, or who utters loud, threatening, personal or abusive language, or engages in any other disorderly conduct which disrupts, disturbs or otherwise impedes the orderly conduct of the commission meeting shall, at the discretion of the chair of the commission or a majority of the commission, be barred from further audience before commission during that meeting.
- (d) Personal interest. No commissioner disqualified from participation under state or local law shall remain at the commission dais during the debate or vote on such matter. The commissioner shall publicly state the grounds for disqualification on the record and, upon acceptance by the chair of the commission, leave the dais during the debate or vote on the issue.
- (e) Limitations on debate. No commissioner shall be allowed to speak more than once upon any one subject until every commissioner choosing to speak has spoken. Merely asking a question, or making a suggestion, is not considered speaking.

- (f) Dissents and protests. Any commissioner shall have the right to express dissent from, or protest to, any action of the commission and request that the reason be entered into the minutes.
- (g) Procedures in absence of rules. In the absence of a rule to govern a point or procedure, Robert's Rules of Order shall govern.

SECTION 4. Inconsistent Provisions. Any provision of the San Fernando Municipal Code or appendices thereto that conflicts with the provisions of this Ordinance, to the extent of such conflict and no further, is hereby repealed or modified to the extent necessary to affect the provisions of this Ordinance.

SECTION 5. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

SECTION 6. Publication. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in the official newspaper within fifteen (15) days after its adoption. This Ordinance shall become effective thirty (30) days after adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of San Fernando at its regular meeting on this _____ of _____, 2015.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

APPROVED AS TO FORM:

Rick R. Olivarez, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) **SS.**
CITY OF SAN FERNANDO)

I, Elena G. Chavez, City Clerk of the City of San Fernando, do hereby certify that the above and foregoing Ordinance No. 1648 was introduced at the regular meeting of the City Council held on 16th day of November 2015, and thereafter at the regular meeting of said City Council, duly held on the _____ day of _____ 2015, was passed and adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Elena G. Chávez, City Clerk

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Brian Saeki, City Manager

Date: November 16, 2015

Subject: City Council Priorities Update

RECOMMENDATION:

It is recommended that the City Council receive and file this report.

BACKGROUND:

At the October 5, 2015 City Council meeting, staff was directed to provide the City Council with a more detailed update of all goals/objectives/priorities for the last three years. Given this direction, staff has prepared a spreadsheet and attached it to this report for the City Council's review (Attachment "A").

BUDGET IMPACT:

At this time, there appears to be no impact to the budget.

ATTACHMENT:

A. Goals/Objectives/Priorities Update Spreadsheet

MAYOR ANTONIO LOPEZ (FY 2013-14)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Secure Grant Funding for the San Fernando Mission Boulevard Street Improvements				X	Released funds due to lack of local matching funds. Currently evaluating potential future call for projects submittal.
Propose a Plan to Accommodate Future Metro Light Rail Through San Fernando				X	Working with Metro and City of Los Angeles on the East San Fernando Valley Transit Corridor project and City undertaking the Transit Oriented Development Overlay Project/Corridors Specific Plan Amendment.
Work to Establish a PBID				X	On hold pending coordination between the Mall Association and the Chamber of Commerce.

MAYOR PRO TEM SYLVIA BALLIN (FY 2013-14)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Timekeeping System	X				Timeclocks time keeping system was implemented in July 2014.
Contract Management Training				X	
Hire full-time regular City Manager (not City Administrator), Finance Director, Police Chief, and reorganize City structure	X				
Lighting at Las Palmas Park	X				Lighting at Las Palmas has been addressed by installing new light fixtures, repairing burned out bulbs, and tree trimming to allow for more lighting.

COUNCILMEMBER JESSE AVILA (FY 2013-14)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Economic Development: Maintain, promote and assist existing businesses to stay and “grow” in San Fernando; outreach to bring in businesses that offer goods and services relevant to the present and next generation (i.e., access to technological communications systems, Wi-Fi via Mall Association)	X			X	Facilitated the remodel of the Vallarta Supermarket and conversion of the Food 4 Less site into the new Smart and Final Express and Walgreens stores; Total construction valuation at over \$2.0 million.
Public Safety: Address and correct public safety personnel matters; unify all Departments				X	
Commissions and Commissioners: Active participation in Council/Community outreach to solicit input and feedback to address their view of “What our City needs...”; encourage communication between all City Departments.				X	RCS will be implementing a needs assesment as part of the parks master plan that will incude opportunities for commissioners to actively participate. In addiiton, they have been encourage to solicite feedback as part of their annual adoption of priorities for the commission.
Infrastructure: Address the needs to repair and/or replace the sewer system, water system; evaluate the current design and use of the Maclay Corridor (from First Street, North, to Glenoaks Boulevard)				X	Ongoing implementation of capital improvement work consistent with annual budget appropriation and voter-approved sewer and water rate increases.

COUNCILMEMBER JOEL FAJARDO (FY 2013-14)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Study and understand all aspects of the City's pension system, including, but not limited to: (a) benefits and disadvantages of the current system; (b) historic shortfalls and projected shortfalls; and (c) the special property tax used to balance such shortfalls.		X		X	As part of the review of the FY 2014-2015 audited financials (CAFR), staff will provide additional information on the City's PERS and OPEB obligations. This review will be presented at a Council meeting in February 2016.
Work with labor to make the pension system more sustainable, and consider the option of gradually eliminating or reducing the use of said property tax over a reasonable and realistic period of time.				X	During the negotiations completed in August 2015, all bargaining units agreed to eliminate retiree health benefits for employees hired after July 1, 2015. Additionally, all new employees are have a reduced retirement benefit and are required to contributed their full share of the PERS cost.
Study the City's strengths and weaknesses in terms of attracting new businesses, determine which businesses or industries the City could most successfully recruit, and develop a business plan to attract said businesses. This analysis should incorporate a "cost of doing business" review.		X			The City has partnered with the Valley Economic Alliance to provide a cost of doing business analysis, which will include some recommendations for economic development. It is anticipated that this report will be presented to City Council in March 2016.
Revisit the 2012 water rate increases to: (a) Implement a voucher or cost-assistance program for low-income families, and establish outreach measures so the public is aware of said program; (b) Determine the level of public knowledge with respect to upcoming water rate increases; (c) Determine the feasibility of eliminating or mitigating some of the scheduled water rate increases if Measure A passes. Research assistance programs for low-income residents.				X	As part of the next utility rate study for water and sewer services, analysis will include the review of a reduced rate service for low-income families including a survey of other public utilities to determine best practices related to reducing user rates.

COUNCILMEMBER ROBERT GONZALES (FY 2013-14)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Aquatic Center Parking Lot	X				Completed in mid-2014.
Upgrade City Website to Make More Business Friendly				X	Draft site to be presented to the City Council on December 7, 2015. Full roll out first quarter of 2016.
Triathlon or 5k Run and Car Show to Celebrate San Fernando Birthday (2014)	X				The 5K Relay race was implemented as part of the Healthy San Fernando Initiative. Had over 650 participants attend the event.

MAYOR SYLVIA BALLIN (FY 2014-15)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Senior Meal Program – Set a goal of at least 15 more meals per day				X	The City added an additional 630 (2/day) meals in FY13/14 and an additional 771 (3/day) meals in FY14/15 with additional funding received from Los Angeles County.
Heritage Park - evaluate best usage for the park				X	Park Master Plan Project and possible use of site as a community garden being developed by City staff for future consideration by the City Council.

MAYOR PRO TEM ROBERT GONZALES (FY 2014-15)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Continuation of City Website Upgrade				X	Draft version of website currently under review by City staff; Internal review version for Council review forthcoming in first quarter of 2016.
Bike Path Beautification Project	X			X	Bike Path Beautification Project in line with TOD Overlay Project/Corridors Specific Plan Update currently underway to enhance transportation corridors to facilitate pedestrian and bike pathways throughout the commercial corridors and citywide.

COUNCILMEMBER JESSE AVILA (FY 2014-15)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Continue to improve health community projects/programs at the parks (areas of focus are youth and seniors)		X		X	City has been successful at implementing various programs targeting youth and seniors. This includes Healthy San Fernando, teen after school programming, senior expo, and 100 Citizens.
Infrastructure Upgrades		X		X	Multipurpose room and lobbies have been renovated. In progress of improving tot lot, exercise equipment, and gym facility including new AC units at Recreation Park. Also, in process of applying for various grants to improve baseball fields at Las Palma and Pioneer Park.

COUNCILMEMBER JOEL FAJARDO (FY 2014-15)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Energy Efficiency - 1) HERO and PACE programs 2) Revisit the issue regarding energy efficiency/savings for the City and solicit proposals from various vendors				X	Ongoing, During FY 15/16 the City undertook the following: Professional Services Agreement (City Contract No. 1790) with Neighborhood Housing Services; HERO Program Implementation; Adoption of Urgency Ordinance for Expedited Permitting of Small Residential Rooftop Solar Systems (Urgency Ordinance No. U-1644).
Internship Program - 1) Review and update the City's internship policy/program, and offer distinctions between City interns and Council interns 2) Develop a list of available internship positions through the various departments 3) Set criteria for each city internship position, i.e. level of education, number of hours per week, et cetera.				X	Finance had two (2) volunteer interns from CSUN during FY 2014-2015. The Personnel Division has prepared an Internship Policy to be presented to the City Council for consideration in January 2016.

COUNCILMEMBER ANTONIO LOPEZ (FY 2014-15)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Continue to work on future light rail and high-speed rail projects		X		X	City staff continues to work with City of Los Angeles and Metro staff regarding the East San Fernando Valley Transit Corridor Project-Project EIR/EIS is forthcoming from Metro; City working on ensuring Metro-project alignment with City's own efforts for multi-modal transportation opportunities under the TOD Overlay/San Fernando Corridors Specific Plan Update.
Research grant funding opportunities		X		X	<p>CDD-Working on completion of Program EIR for TOD Overlay Project/Corridors Specific Plan Update in order to use EIR to apply for County (Metro Call for Projects), State (Cal Tran Grant/HCD Grant/New Market Tax Credits) and Federal Grants (Economic Development Initiative Grants and Section 108 Loans).</p> <p>City staff has identified several grants to assist with capital improvements, including LA84, Baseball Tomorrow, and GreenField Grant Program.</p>

CITY COUNCIL GOALS (FY 2015-16)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Continue outreach and opposition of the CHSR route through San Fernando		X		X	City continues to monitor CHSRA Board Meetings, Community Workshops, Technical Studies for EIR/EIS alternatives; City recently prepared a comment letter/e-mail (October 2015) to Angeles National Forest on geophysical/geotechnical investigation to determine the feasibility of several high speed rail tunnel alignments that the CHSRA is considering through the Angeles National Forest; continue opposition to high speed rail route through the city.
Continue to stabilize the City's finances by maintaining a balanced budget, continuing to reduce the General Fund deficit, and re-establish reserve balances in a number of critical funds, including but not limited to, the General Fund, Self-Insurance Fund, and Equipment Replacement Fund.		X		X	Staff has developed a five year financial forecast, discussed a deficit reduction plan with City Council, and included the deficit reduction plan as a note in the City's financials. The staff will continue to work with City Council to implement the plan and sure up the General Fund, SIF, and ERF.
A) Evaluate City service contracts to ensure they are up to date and provisions of contracts are being enforced.		X		X	The City continues to monitor agreements to ensure that competitive pricing and services are received, including: The Recreation and Community Services Department has an agreement for the senior meals program that is scheduled to expire in October 2016; The Police Department has an agreement for linen services that is due to expire in January 2016; The Public Works has a transportation services agreement that is due to expire in June 2016. RFPs have either been or will be issued relative to these services.

CITY COUNCIL GOALS (FY 2015-16)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Pursue Economic Development opportunities to bolster the City's revenue and enhance the City of San Fernando's profile.		X		X	San Fernando Brewing Company (425 Park Avenue), Warehouse Shoe Sale Reopening (460 San Fernando Mission Blvd), Chipotle/Yogurtland/Wing Stop grant opening (1100 Truman Street), Nikki's Pizzeria (913 San Fernando Road), New Community Room at County Library Facility (217 N. Maclay Ave), Magaly's Tamales Restaurant Construction (134 North Maclay Ave), Mariscos Camarena Restaurant (2055 Glenoaks Blvd) and new multi-tenant commercial buildings at 500 San Fernando Mission Blvd. and 1661 San Fernando Road; total construction valuation is 5.4 million.
A) Pursue catalytic projects for the downtown/mall area.		X		X	San Fernando Corridors Specific Plan Update being considered for Planning Commission and Council review in mid-2016 includes evaluation of mixed-use projects in the downtown including residential, retail, service commercial, and entertainment uses in combination with transportation and other infrastructure enhancements to facilitate new public and private investment in the downtown; City staff currently exploring redevelopment opportunities consistent with Corridors Specific Plan Redevelopment Strategies.
B) Enhance the City's Business Attraction and Retention Program, including streamlining the permitting and entitlement process.		X		X	Cost of doing business analysis is currently underway; Urgency Ordinance U-1644 established expedited permitting process for small residential solar projects; City evaluating on-line permitting as part of future contracts for city permit issuance software.

CITY COUNCIL GOALS (FY 2015-16)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
C) Explore the opportunity for a farmers' market.		X			Staff has been in contact with potential vendors to submit a proposal. Plans include sending out an RFQ in December 2015 and implement by March of 2016, pending USDA grant opportunity.
D) Evaluate reuse options for Lopez/Villegas property, including structure.		X		X	Lopez Villegas House has been designated a local landmark. City has been seeking possible buyer to relocate structure onto private lot and keep local landmark designation; Discussion of possible alternatives to be presented in March of 2016 study session before City Council including possible alternative option to de-designate as part of CEQA required environmental assessment.
E) Evaluate the City's minimum wage and living wage ordinances.		X		X	City staff working with The Valley Economic Alliance on review local, state, and federal legislation to evaluate possible changes to the City's minimum wage and living wage ordinances.
F) Continue regional collaboration with Metro and neighboring cities to enhance vehicular and pedestrian transportation options within the City of San Fernando		X		X	City staff continues to work with City of Los Angeles and Metro staff regarding the East San Fernando Valley Transit Corridor Project-Project EIR/EIS is forthcoming from Metro; City working on ensuring Metro-project alignment with City's own efforts for multi-modal transportation opportunities under the TOD Overlay/San Fernando Corridors Specific Plan Update; City received a grant from Caltrans to complete a Safe Routes to School Plan. In addition, the County Department of Public Health is collaborating with the City to enhance the Safe Routes Planning and will complete an Active Transportation Plan at no cost to the City.

CITY COUNCIL GOALS (FY 2015-16)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Increase capital expenditures to address critical infrastructure needs, including but not limited to, addressing deferred maintenance of City streets, water and sewer systems, and sidewalks.		X		X	City Council has authorized staff to issue debt secured by County Measure R funds. It is estimated that the City will receive approximately \$2.2 million in March/April 2016 to make street improvements.
A) Evaluate policy for neighborhoods to petition for the installation of speed humps.		X			The City currently has an existing policy regarding the installation of speed humps. The Transportation and Safety Commission will begin reviewing this policy in early 2016 along with developing recommendations for additional traffic calming devices (i.e. striping, signage, etc.) in the community.
Increase the City's use of technology to work more efficiently, increase transparency for citizens and stakeholders, and provide enhanced customer service.		X		X	The City purchased a new network server and software. The new server should be operational in January 2016. Staff has also partnered with Socrata to publish all financial data in an easy-to-understand format. The application is currently operational, however, it will be available to the public with the launch of the new City website.
Offer top notch recreation programs through the Healthy San Fernando initiative and explore opportunities to expand sports programs.		X		X	<p>Since March 2015, the RCS has implemented various sport programs for youth/adults, including adult softball, adult volleyball, teen soccer, Futsol, Tennis (all ages), and partnership with the So Cal Special Olympics to provide programs for individuals with disabilities.</p> <p>The City will also beginning development of a Park Master Plan to evaluate goals and objectives for the use and expansion of park services including community and cultural programs at parks.</p>

CITY COUNCIL GOALS (FY 2015-16)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Pursue grand funding that addresses a need and provides a net benefit to the City.		X		X	The City has been awarded the following grants in 2015: CDD-Working on completion of Program EIR for TOD Overlay Project/Corridors Specific Plan Update in order to use EIR (\$282,000 metro grant) to apply for County (Metro Call for Projects), State (Cal Tran Grant/HCD Grant/New Market Tax Credits) and Federal Grants (Economic Development Initiative Grants and Section 108 Loans); PW - Caltrans Sustainability Planning Grant (\$160,000), Metro Call for Projects Grant for Traffic Signal Synchronization (\$800,000), Housing-Related Parks Grant for Recreation Park Improvements (\$200,000); Mobile Source Air Reduction/Air Quality Management District Grant for Electric Vehicle Charging Infrastructure (\$100,000) and Pacoima Wash Bikeway (\$354,000); PD - COPS Grant for 1 Full Time Police Officer Position (\$140,000 over 3 years).
Continue to review and update the City's policies and procedures.		X		X	<p>In early 2016, staff will work with the Budget, Finance, and Personnel Committee to review and update the City's purchasing ordinance and related purchasing policies.</p> <p>The City Clerk's office is working with City Attorney's Office regarding an update of the City's Records Retention Policy.</p> <p>The PD is currently updating their Dept Manual, which has been outdated for several years.</p> <p>The Personnel Division is updating the City Personnel Rules, as well as Standard Management Policies and Procedures, which have been outdated for some years.</p>

CITY COUNCIL GOALS (FY 2015-16)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Explore opportunities for community and cultural programs.		X		X	<p>Currently preparing a Park Master Plan to evaluate goals and objectives for the use and expansion of park services including community and cultural programs at parks.</p> <p>The Recreation and Community Services Department has partnered with the Ford Foundation to expand cultural arts events (8 JAM Sessions/yr.). In addition, City has partnered with numerous organizations to increase the size and quality of Dia De Los Muertos. Currently, working on indigenous programs and additional art programs.</p>
Veteran's appreciate event.		X		X	The Recreation and Community Services Department has explored various celebrations occurring within the NE SF Valley and will communicate to all park users.
Community Garden		X		X	City working on a Park Master Plan Project and evaluating possible use of park space at Heritage Park as a community garden being developed by City staff for future consideration by the City Council.

CITY COUNCIL GOALS (FY 2015-16)

Goal	Status				Comments
	Done	On Target	Revised	Ongoing	
Increase water conservation efforts, including but not limited to, community outreach and implementation of water conservation programs.	X			X	In May 2015, the City Council implemented Phase II water conservation efforts including new city parkway turf replacement guidelines; City has reduced exterior watering at City facilities; City continues to follow State water conservation mandates while promoting MWD rebate programs for low-flow toilets and showerheads, and turf replacement programs; City looking at expanding alternative planting guidelines to on-site front yard landscaping; City has begun construction on a drought tolerant median landscaping project on Brand Boulevard to help save over 1 million gallons of water annually.

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Brian Saeki, City Manager
By: Ismael Aguila, Recreation and Community Services Director

Date: November 16, 2015

Subject: Consideration to Approve a Funding Agreement for a Countywide Park Needs Assessment

RECOMMENDATION:

It is recommended that the City Council:

- a. Authorize the City Manager to execute Funding Agreement No. 1803 (Attachment "A") with the County of Los Angeles to secure "Engagement Funds" for conducting one community engagement meeting; and
- b. Authorize the City Manager to allocate City staff time to begin plans for implementing the community engagement meeting in the City of San Fernando related to the Countywide Parks Needs Assessment.

BACKGROUND:

1. In 1992, Proposition A was passed by Los Angeles County voters to provide \$53 million a year for parks, open space, and recreation facilities. This proposition was set to expire in June of 2015.
2. In 1996, Los Angeles County voters passed an amended Proposition A that provided \$28 million a year additionally for parks, open space, and recreation facilities. This proposition is set to expire in June of 2018.
3. On August 5, 2014, Los Angeles County Board of Supervisors approved a resolution providing for and giving notice of a special tax election (Proposition P) being held in the County of Los Angeles on November 4, 2014 and consolidating the special tax election with other elections to be held on November 4, 2014.
4. On November 4, 2014, voters rejected ballot measure Proposition P that would have continued paying for park maintenance and capital projects throughout Los Angeles County.

Consideration to Approve a Funding Agreement for Countywide Park Needs AssessmentPage 2 of 3

5. During 2015, the Los Angeles County Department of Parks and Recreation has been conducting a countywide assessment of the need for parks and recreational programs in both cities and unincorporated areas. The City of San Fernando has been asked to participate in the assessment process.

ANALYSIS:Proposition A

Every year, more than 70 million people visit parks in Los Angeles County including their neighborhood parks and participate in park-sponsored recreational programs. Millions of children and youth use park facilities for after-school, weekend, and summer programs, and millions of seniors attend programs at nearby senior centers. In the City of San Fernando, it is estimated that approximately 35,000 individuals (equating to over 250,000 visits) living in and around the City utilize a park program, facility, and/or resource every year.

While city, state and federal funding for parks and recreation has been decreasing during the past 20 years, LA County voters approved the Safe Neighborhood Parks Tax Measure in 1992, which generates about \$54 million a year for neighborhood and regional parks and recreation. Since 1992, The Regional Park and Open Space District has funded almost 1,500 projects with funds from Measure A and additional funding, including children's play areas, trails, permanently converted land to parks or open space, water quality and water supply enhancement projects, tree planting projects, as well as added restrooms/refurbishments. In San Fernando, the proposition provided funding for the following projects for an approximate \$1.2 million:

- Kalisher Street Corridor
- Construction of the San Fernando Pool Facility
- Recreation Park Graffiti Prevention Project
- Construction of Las Palmas Park
- Graffiti prevention for the mural at Las Palmas Park
- Refurbishing of baseball fields at Las Palmas Park

Countywide Park Needs Assessment

As Proposition A is scheduled to expire in June of 2018, many funding opportunities for municipalities could be disappearing. To prepare for the end of Proposition A, the County of Los Angeles is conducting a Countywide Park Needs Assessment designed to identify the need for parks and recreational programs in both cities and unincorporated areas. The goal of the Countywide Park Needs Assessment is to engage all communities within the County in a collaborative process to gather data and input for future decision-making on parks and recreation. The Countywide Park Needs Assessment will increase our understanding of existing park and recreation assets, and help us to determine how to improve, expand, and make them more accessible. Specifically, the final report will determine Study Areas and will identify, prioritize and outline costs for potential park

Consideration to Approve a Funding Agreement for Countywide Park Needs AssessmentPage 3 of 3

projects within each Study Area. In addition, the Countywide Park Needs Assessment can be used as a guide for potential development of future funding mechanisms and to leverage Federal and State resources, and guide local funding decisions.

Community Engagement Meeting

As one component of the Countywide Park Needs Assessment, the County is requesting for each City (or Study Area) to conduct one community engagement meeting to create a prioritized list of potential future park projects. The community engagement meeting must be conducted sometime between December 1, 2015 and February 15, 2016. There is a \$2,500 stipend available for each Study Area, to be used to offset the cost of holding the meeting. In addition, the County of Los Angeles will launch a Community Education Campaign (Attachment "B") to inform residents about the meetings and raise awareness about the importance of well-maintained parks in healthy and thriving communities.

BUDGET IMPACT:

There will be no budget impact to the FY 2015-2016 General Fund. All costs associated with the community engagement meeting will be paid through the Engagement Funds provided by the County.

CONCLUSION:

The Countywide Park Needs Assessment conducted by the County of Los Angeles will increase our understanding of existing park and recreation assets, and help us to determine how to improve, expand, and make them more accessible. In addition, the results of the assessment can be used as a guide for potential development of future funding mechanisms and to leverage Federal and State resources, and guide local funding decisions. Therefore, City staff is recommending that the City Council:

- 1) Authorize the City Manager to execute Funding Agreement No. 1803 with the County of Los Angeles to secure Engagement Funds for conducting one community engagement meeting; and
- 2) Authorize the City Manager to allocate City staff time to begin plans for implementing the community engagement meeting in the City of San Fernando related to the Countywide Parks Needs Assessment.

ATTACHMENTS:

- A. Funding Agreement No. 1803
- B. Community Education Campaign

**FUNDING AGREEMENT
FOR COMMUNITY ENGAGEMENT ACTIVITIES RELATED TO
THE COUNTYWIDE PARKS NEEDS ASSESSMENT
CITY OF SAN FERNANDO**

THIS FUNDING AGREEMENT ("Agreement") is made and entered into this day of _____, 2015 by LOS ANGELES COUNTY, body corporate and politic ("County") and CITY OF SAN FERNANDO, a body corporate and politic ("City").

WITNESSETH:

WHEREAS, the County Board of Supervisors adopted a motion dated February 3, 2015 authorizing the Director of the County Department of Parks and Recreation to execute this Agreement with the City to fund costs for community engagement activities ("Community Engagement") related to the countywide parks needs assessment effort upon approval as to form by County Counsel.

WHEREAS, the County is willing to provide the City with funding to assist the City in its efforts to engage the residents of the study area(s) listed on Exhibit A attached hereto (each, a "Study Area") to identify and prioritize park projects within such Study Area (s).

WHEREAS, the City, with funding assistance from County, intends to implement a community engagement plan attached thereto as Exhibit B ("Community Engagement Plan") within the Study Area(s).

WHEREAS, County intends to provide funds to the City in the amount of \$2,500 ("Engagement Funds") per Study Area and pursuant to California Government Code Section 26227 County may fund projects that are necessary to meet the social needs of the County.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto agree as follows:

A. Approved Funding and Costs. County hereby grants to the City the Engagement Funds in the amount of \$2,500 (\$2,500 per Study Area) to support the City's Community Engagement.

B. Agreement Term. This Agreement will remain in force until completion of the Community Engagement by the City, or as mutually agreed by the City and the County.

C. Indemnity

1. City agrees to indemnify defend and hold harmless County, its agents, special districts, elected officials, officers and employees, from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to bodily injury, death, personal injury, or property damage arising from or connected with City's operations or services hereunder, including any workers' compensation suits, Federal Fair Labor Standards Act wage or hour law violations, liability, or expense, arising from or connected with services performed by or on behalf of City by any person pursuant to this Agreement.

2. County agrees to indemnify, defend and hold harmless City, its officers, directors, or employees, from and against any and all liability, expense (including reasonable outside attorney fees) resulting from the willful negligent acts or omissions of County, its agents, officers, or employees in connection with this Agreement.

City's completion of the Project shall conform to and abide by all County ordinances and all State and Federal laws and regulations insofar as the same or any of them are applicable; and where permits and/or licenses are required for City's work, the same must be first obtained from the regulatory agency having jurisdiction thereover.

IN WITNESS WHEREOF, the City has executed this Agreement, or caused it to be duly executed by its authorized representative, and the County by order of its Board of Supervisors, has delegated to the Director of Parks and Recreation, or his designee, the authority to execute this Agreement on its behalf on the date and year written below.

CITY

By: _____
Name: _____ Date _____
Title: _____

APPROVED AS TO FORM FOR THE CITY:

By: _____
Name: _____ Date _____
Title: _____

COUNTY OF LOS ANGELES

By: _____
Norma E. Garcia Date _____
Deputy Director

APPROVED AS TO FORM FOR THE COUNTY:

MARY C. WICKHAM
Interim County Counsel

By _____
Claudia Gutierrez, Deputy County Counsel

EXHIBIT A

CITY: SAN FERNANDO

STUDY AREA: 02052 (\$2,500)

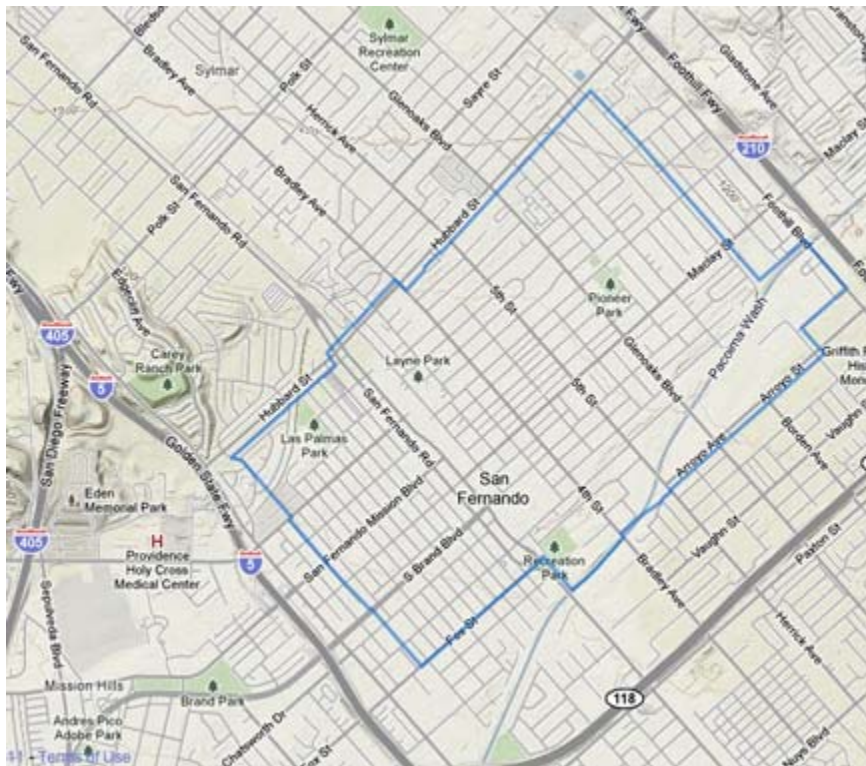


EXHIBIT B

Community Engagement Plan

(See attached)



We all need PARKS

Study Area: 2052

Community Engagement Plan

A Community Engagement Meeting must be held in each Study Area between December 1, 2015 and February 15, 2016. The meeting can be run by city staff or by a community-based organization of your choice. The meeting facilitator must attend one of three trainings. At the training, facilitators will receive all information needed to hold the meeting. To offset the cost of the Community Engagement Meeting, a \$2,500 stipend is available for each Study Area.

Please answer the questions below and return this form to Rita Robinson
robinson@parks.lacounty.gov by **October 15, 2015**

Please tell us about your community engagement meeting:

Date:

Time:

Location:

- Parking provided
 Accessible by public transportation

What translation services (if any) will be provided? Languages:

Who will be facilitating your community engagement event(s)?

- City Staff
 Community-Based Organization. Name of CBO:

Please provide the contact information for the primary facilitator **and** any secondary facilitator (if applicable) that will be attending the mandatory training. You may have a **maximum** of 2 people.

Name:

Name:

Title:

Title:

Address:

Address:

Phone:

Phone:

Email:

Email:

Please rank your preference for a mandatory facilitator training date. Space is limited at each training and spaces will be reserved based on the timely return of this form.

- | | | | |
|---|-----------------------------|-----------------|--------------------------------|
| 1 | Monday--November 16, 2015 | 10:00am-12:00pm | Roy Anderson Recreation Center |
| 2 | Tuesday--November 17, 2015 | 6:30pm-8:30pm | Los Angeles County Arboretum |
| 3 | Saturday--November 21, 2015 | 10:00am-12:00pm | San Fernando Park |

Please describe how you will promote your engagement meeting (select all that apply):

- | | |
|---|---|
| <input type="checkbox"/> Publicly posted notice | <input type="checkbox"/> Canvassing |
| <input type="checkbox"/> Mailers | <input type="checkbox"/> Television/Radio |
| <input type="checkbox"/> Website | <input type="checkbox"/> Other |
| <input type="checkbox"/> Social Media | |

Please describe your attendance goal (# of attendees):

Please provide any additional details related to your action plan for engaging the community:

The list of prioritized parks projects generated at the community engagement meeting is due to the County by **February 29, 2016**.



MAKE YOUR VOICE HEARD

Take Action On Parks and Health Equity

Study after study has shown that access to well-maintained parks increases physical activity among both children and adults, and that parks are essential to safe, thriving communities.

LA County has an urgent need for more parks and recreational facilities in our underserved park-poor communities. It's a vital health issue for these communities where obesity, diabetes, hypertension and heart disease are increasing at alarming rates.

Come to a Stakeholder Workshop that will help define the role of parks in building healthy, thriving and engaged neighborhoods. Learn more about how the County and 88 cities are taking stock of our parks, recreations facilities and open space—and what kind of shape they're in.

Get informed about how your community can make an impact and take part in the 200 community meetings starting in December.

This is a once-in-a-generation chance to shape the priorities for how and where park funding will go for the next several decades.

Visit LACountyParksNeeds.org for more information.



COME TO A STAKEHOLDER WORKSHOP!

November 3, 10am-12pm
El Monte Senior Center
3120 Tyler Ave, El Monte

November 9, 10am-12pm
Bateman Hall Auditorium
11330 Bullis Rd, Lynwood

November 13, 10am-12pm
Roy A. Anderson Recreation Center, Comrie Hall
3980 Bill Robertson Lane,
Los Angeles

LOS ANGELES COUNTYWIDE
COMPREHENSIVE PARK & RECREATION
NEEDS ASSESSMENT

Sponsored by:



we all need



for healthy, thriving and engaged LA communities

WHAT IS THE PARK NEEDS ASSESSMENT?

The County of Los Angeles is conducting a countywide assessment of the need for parks and recreation in both cities and unincorporated areas. The goal of the Park Needs Assessment is to engage all communities within the County in a collaborative process to gather data and input for future decision-making on parks and recreation. The Park Needs Assessment will increase our understanding of existing park and recreation assets, and help us to determine how to improve, expand, and make them more accessible. Specifically, the final report will determine Study Areas and will identify, prioritize and outline costs for potential park projects within each Study Area.

Who will be involved?

- You! All communities within the County, including cities and unincorporated areas.
- A Steering Committee composed of:
 - *Supervisorial Districts*
 - *Councils of Government (COG)*
 - *Community-Based Organizations*
 - *Community Members*
 - *County Departments and Partnering Agencies*
- Local agencies and community-based organizations will be trained to hold community engagement events in each Study Area to determine park and recreation needs and priorities.
- A Technical Advisory Committee will provide review of the GIS and mapping methodology.
- A consultant team led by PlaceWorks, with support from DakeLuna Consultants and David Taussig & Associates will facilitate the process and prepare the Park Needs Assessment.

(over)



WHY COMPLETE AN ASSESSMENT?

- The assessment will result in a visionary list of projects and cost estimates, in order of priority, for each Study Area.
- It will identify future opportunities for parks and recreation throughout the County by Study Area.
- The Park Needs Assessment will assist cities and unincorporated areas in future park planning.
- The Park Needs Assessment may be used as a guide for potential development of future funding mechanisms.
- Results could also be used to leverage Federal and State resources, and guide local funding decisions.



LOS ANGELES COUNTYWIDE COMPREHENSIVE
PARK & RECREATION NEEDS ASSESSMENT



we all need



for healthy, thriving and engaged LA communities

How will Study Areas be determined?

- The Park Needs Assessment will be organized around Study Areas, which will be used to identify community-specific needs and determine priority projects.
- The Steering Committee, with support from the consultant team, will develop criteria to identify Study Areas.

What standards will be used to determine need?

- The Steering Committee will establish a set of park and recreation standards to compare needs across the entire County.
- This set of standards will be used for the Park Needs Assessment, but is not intended to replace municipal park and recreation standards.

What will be included in the analysis?

- City and County parks including community parks, neighborhood parks, pocket parks and tot lots
- City and County recreational facilities including swimming pools, recreation centers, gyms, and skate parks
- Regional parks
- School recreation facilities with joint use agreements
- Trail corridors along flood control channels
- Separately owned public trail rights-of-way outside of parks

What will not be included in the analysis?

- Golf courses
- Cemeteries
- Plazas and public art installations
- Beaches
- Schools (except recreation facilities with joint use agreements)

When will the assessment occur?

- The Park Needs Assessment will be conducted and completed over 15 months, between March 2015 and May 2016.



LACountyParksNeeds.org



LOS ANGELES COUNTYWIDE COMPREHENSIVE
PARK & RECREATION NEEDS ASSESSMENT



HEALTHY, SAFE COMMUNITIES HAVE THRIVING PARKS

Parks Strengthen Communities

Parks provide countless health, social, environmental and economic benefits to communities. Communities with abundant parks and quality recreational facilities thrive.

Improving Health

Study after study has shown that access to well-maintained parks increases physical activity among both children and adults.¹ Physical activity is essential to good health at every stage of life. Physical activity improves general health, prevents obesity and diabetes, reduces risk of hypertension and heart disease, reduces levels of attention deficit in children, improves cognitive ability and reduces aggressive behavior.


Teens who live near parks are 30% more likely to get recommended amounts of physical exercise.² But more than 1.5 million children in LA County do not live within walking distance of a public park.³ And in park-poor communities, as many as 30% of residents are obese.⁴

LA County has an urgent need for more parks and recreational facilities in low-income communities where improving health and preventing chronic diseases can have a huge impact on lowering health care costs and improving community well-being.

Increasing Community Cohesion

People from all backgrounds and all ages use the same park, interacting and learning about each other in a social atmosphere that encourages them to be more active. That's true while using the park and even more so while participating in one of the many programs local parks provide. Parks bring communities together, creating safer, stronger neighborhoods.

(over)

MAKE YOUR VOICE HEARD!

The County and all 88 cities are taking stock of what we currently have—parks, recreation facilities, open space and cultural and performing arts venues. What's the condition of the park and what would it cost to get it into good shape? Do residents have a park within a 10-minute walk? Is the park used beyond capacity, in need of improvement or different amenities? This assessment will provide a good snapshot of the current status of our parks.

We need to hear what residents want and need to ensure great, well utilized parks and recreational facilities.

From December through early February, the County and cities will be conducting almost 200 needs assessment meetings. **This is a once-in-a-generation chance to shape the priorities for where park funding will go for the next several decades.**

Encourage Everyone to Come to a Community Meeting

Find out where and when:
LACountyParksNeeds.org



LOS ANGELES COUNTYWIDE COMPREHENSIVE PARK & RECREATION NEEDS ASSESSMENT



Improving the Environment

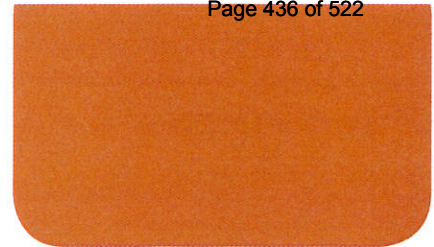
When rain flows off roads and paved areas it picks up pollutants, which then flow into our rivers, lakes and beaches. As unpaved areas, parks play a key role in capturing and holding rainwater, allowing it to percolate into the ground where it's naturally cleansed. The trees and shrubs in parks also remove air pollutants, improving the air we breathe and helping reduce greenhouse gasses.

Boosting the Economy

Studies have shown that the property values of homes near excellent parks can be as much as 15% higher than similar homes not near a park. Cities also benefit from the higher property taxes generated. LA County also attracts tourists to miles of beaches and major parks, boosting local businesses and generating sales and hotel tax revenue.

Toward Park Equity

However, not all Los Angeles residents benefit equally from parks. Only 15% of the region's population has pedestrian access to parks or green spaces. And while the nationally accepted standard of park space is 4 acres for every 1,000 people, many communities fall short. Predominantly African American communities have just 1.7 acres and Latino communities just .6 acre for every 1,000 people.⁵



¹ Much of this information comes from a 2009 study, "Measuring the Economic Value of a City Park System" and a 2011 Study, "From Fitness Zones to the Medical Mile: How Urban Parks Can Best Promote Health and Wellness," both by the Trust for Public Land.

² From a March 2013 study, "Physical Activity, Park Access and Park Use among California Adolescents," by the UCLA Center for Health Policy Research.

³ From "Parks for People Los Angeles: the Case for Support," Trust for Public Land, 2004.

⁴ From a September 2011 study, "Obesity and Related Mortality in Los Angeles County," County of Los Angeles Department of Public Health and a 2004 study, "The Relationship Between Community Physical Activities Settings and Race, Ethnicity and Socioeconomic Status," in Evidence-Based Preventive Medicine.

⁵ From a study by Jennifer Wolch, John P. Wilson, and Jed Fehrenbach called "Parks and Park Funding in Los Angeles: An Equity-Mapping Analysis" in Urban geography 26, no. 1 (2005): 4-35.

LACountyParksNeeds.org



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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Brian Saeki, City Manager
By: Chris Marcarello, Deputy City Manager/Public Works Director

Date: November 16, 2015

Subject: Photography and Film Production Permit Analysis

RECOMMENDATION:

It is recommended that the City Council provide further direction regarding the Photography and Film Production Permit Program.

BACKGROUND:

1. On September 21, 2015, the City Council directed the City Manager to provide an update on the Photography and Film Production (P&FP) Permit process;
2. On October 5, 2015, the City Manager presented an update and replied to questions from City Councilmembers; and
3. On October 19, 2015, City Council directed the City Manager to provide a comprehensive report related to the P&FP process by the second City Council meeting in November.

ANALYSIS:

Over the past five years, the City issued 94 filming permit applications and collected approximately \$278,400 in P&FP related permit fees. This number includes fees charged by the Finance, Police and, Public Works departments to recover the cost for services and or equipment utilized in filming activities. The following table includes a summary of these permit fees.

Photography and Film Production Permit Analysis

Page 2 of 3

Revenue History

Fiscal Year	Permits Issued	Police OT	Public Works OT	General Permit	Total
2010-11	10	\$ 15,560	\$ 3,605	\$ 12,476	\$ 31,641
2011-12	22	\$ 33,164	\$ 3,911	\$ 17,283	\$ 54,358
2012-13	15	\$ 15,443	\$ 3,379	\$ 20,744	\$ 39,566
2013-14	33	\$ 36,158	\$ 18,572	\$ 39,190	\$ 93,920
2014-15	14	\$ 14,990	\$ 10,581	\$ 33,344	\$ 58,915
Total	94	\$ 115,315	\$ 40,048	\$ 123,037	\$ 278,400

The permit fees above are categorized as follows:

- Police Department – fees charged to cover overtime labor costs.
- Public Works – fees charged to cover overtime labor costs.
- General Permit – fees charged for application processing, equipment, parts and materials, and miscellaneous/contract services.

User Fee Study

The City Council recently approved a contract with a firm to conduct a User Fee study. As part of that Study, the firm will calculate the fully burdened cost (including direct and indirect costs) to providing film permit services. The City is currently recovering all direct costs; however, the full indirect cost may not be currently recovered. The User Fee study will calculate and compare the actual cost to the amount of revenue the City is currently recovering.

If the City decides to continue the film permit program, we have the authority to recover up to 100% of the fully burdened cost. It is expected that a draft of the User Fee study will be ready for City Council review in March/April 2016.

Filming Locations

Over the five year period, filming permits were issued at various locations within the City. That said, certain locations were used more consistently than others (see Attachment "A"). Attachment "A" includes a summary of locations and maps by fiscal year. Of note, 32 permits were issued in the Downtown Mall District. This represents approximately 34% of the total number of permits issued over the past five years.

Required Outreach to Businesses

When filming occurs in the Downtown Mall District, Public Works staff members make an effort to minimize potential impacts to adjacent businesses. This includes providing preferential parking in City parking lots for adjacent businesses and requiring that filming production companies use areas further away from day-to-day business uses. Further, filming production companies are required to conduct outreach with local businesses prior to the start of filming.

Photography and Film Production Permit Analysis

Page 3 of 3

Contact was made with five production companies (Kiss & Kill; CBS Productions; Milloy Films LLC; Promise Productions; Lost in Austin) in order to obtain copies of any contracts with residents or local businesses related to filming activities. Each request was met with either a “no” response or no response at all.

Downtown Mall District Sales Tax Revenue

The City Council also requested sales tax revenue information in the Downtown Mall District for the previous five years. During this time, the following sales tax information was reported:

Fiscal Year	Sales Tax Collected
2010-11	\$308,350
2011-12	\$319,581
2012-13	\$252,844
2013-14	\$250,486
2014-15	\$270,290
Total	\$1,401,551

CONCLUSION:

The City is currently collecting an average of \$55,600 per year in film permit revenue to offset the direct cost of providing film permit related services. This will be reviewed as part of the User Fee study to determine the total direct and indirect costs of providing film permit services and potentially adjust fees as appropriate.

Additionally, approximately one-third of filming over the last five years has been conducted within the Downtown/Mall District.

ATTACHMENT:

- A. Summary of Locations and Maps

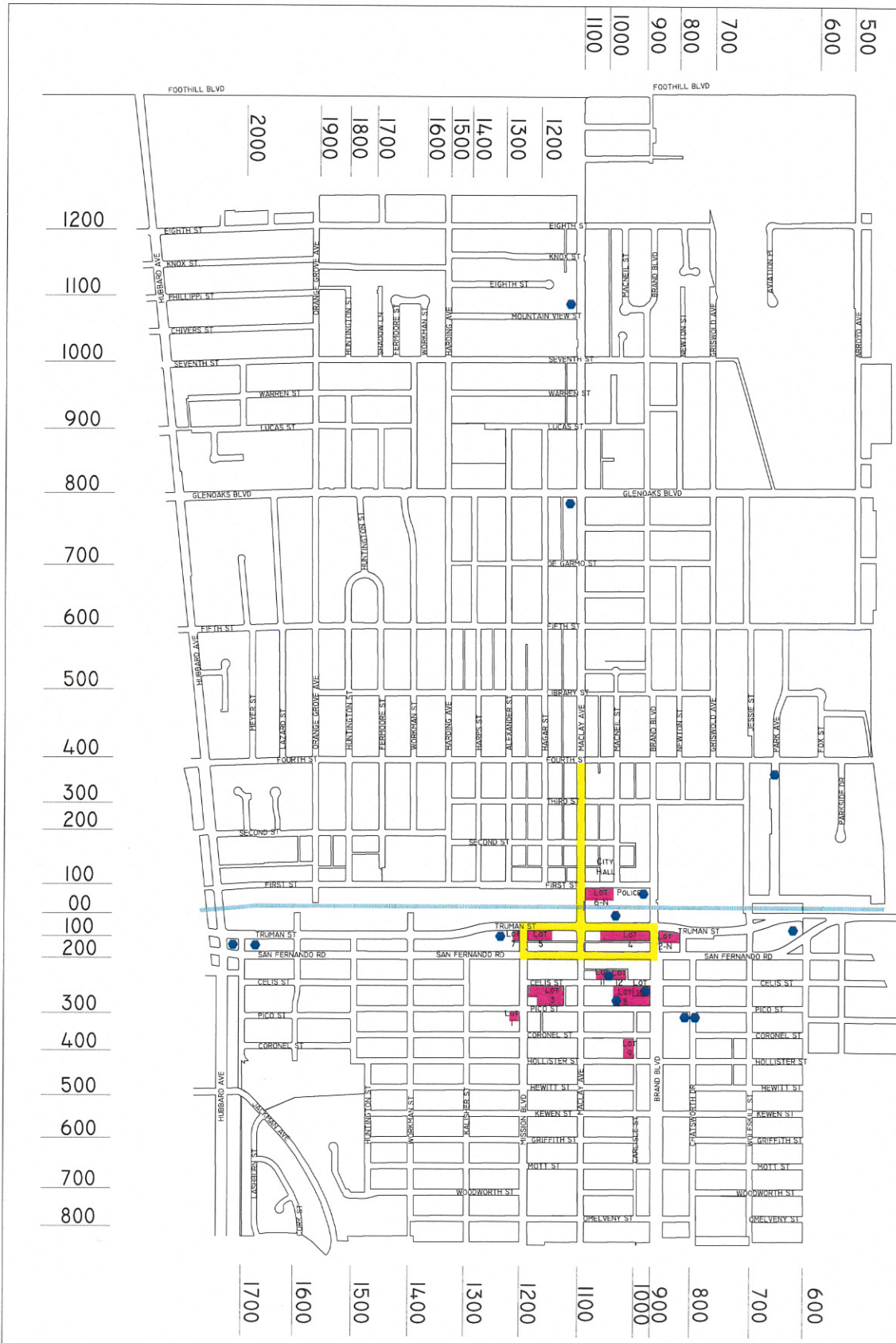
ATTACHMENT "A"

Filming Permits FY 10-11

Date Of Permit	Permittee	Location
7/19/2010	Prodco	777 N. Maclay (Church)
7/20/2010	CBS Productions	1025 Celis (Furniture Store) & 804 Pico St. (Elks Lodge)
9/28/2010	CBS Productions	1705 San Fernando Rd. (Car Wash) & 1661 SF Rd. (Car Lot)
9/28/2010	Prodco	1053 N. Maclay & 302 S. Brand & Parking lots 8/10
10/19/2010	Green Bottle Pics	910 First St. (San Fernando Police Department)
11/9/2010	Born to Race Prod.	1231 SF Rd. (Pep Boys) & Hagar, Truman, Maclay Streets
11/29/2010	Trend Media LLC	205 & 392 Park Ave. (Sidewalks)
1/13/2011	DMP Productions	901-1025 Truman & 1040 SF Rd.
1/27/2011	Gartner	603 San Fernando Rd.
4/25/2011	Upper Ground Entrp.	804 Pico St. (Elks Lodge)

TOTAL OF 10 PERMITS

FILMING PERMITS FY 10-11



- ◆ Filming Location
- Downtown

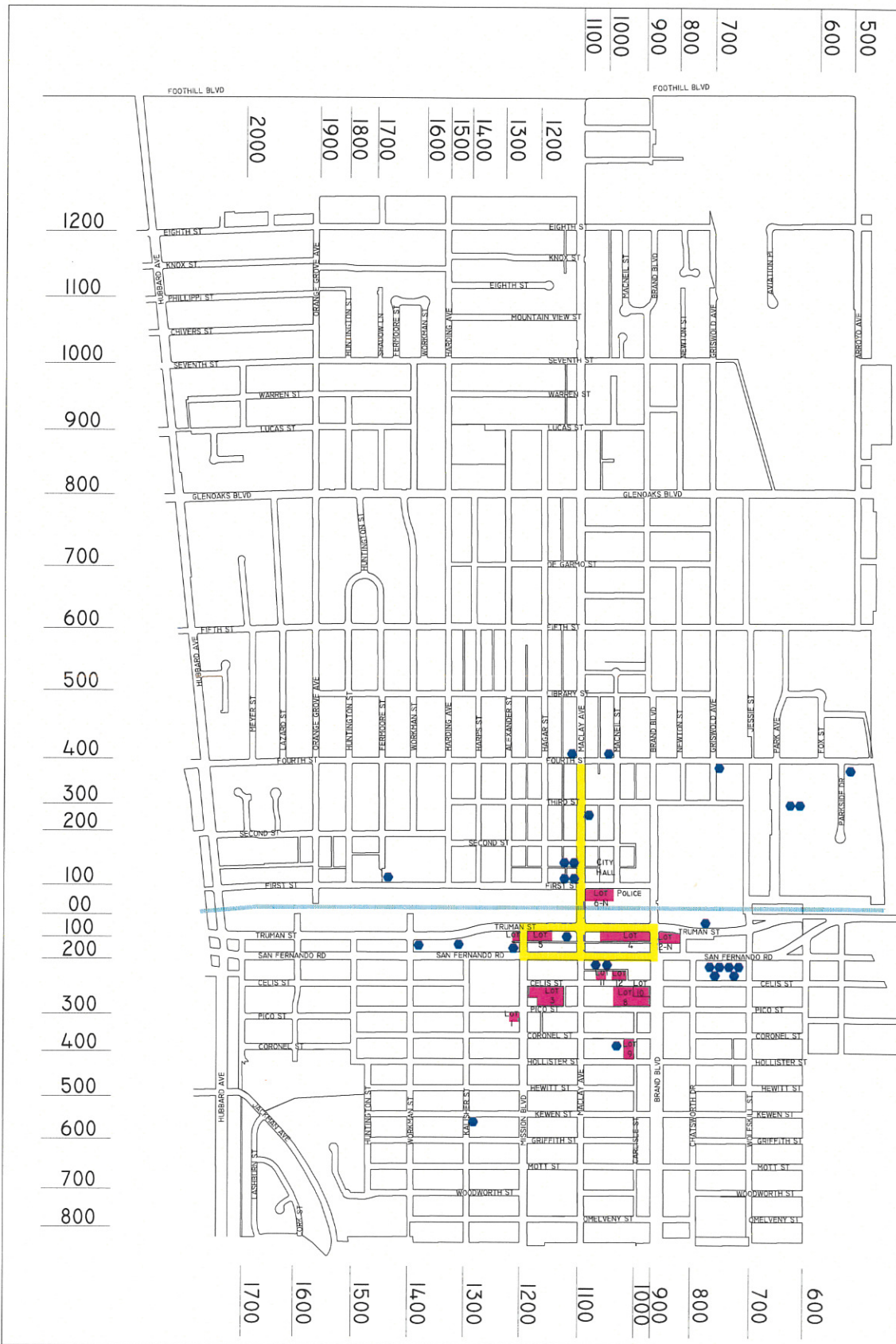
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Filming Permits FY 11-12

Date Of Permit	Permittee	Location
9/20/2011	Tool Dissectional	340 Parkside Dr.
10/5/2011	CBS Productions	1327 SF Rd. (KFC)
10/21/2011	20th Century Fox	1201 SF Rd. (Que Rico)
11/28/2011	CSUN	1022 SF Rd. (El Pollo Canpan)
12/5/2011	Partizan Ent.	700 San Fernando Rd.
12/9/2011	Compass Choi	SF Regional Pool
12/12/2011	Dirty Robber	1621 First Street
12/5/2011	CSUN	332 Griswold Ave.
1/3/2012	CBS Productions	SF Rd. Btwn Huntington/Lazard & 1345 SF Rd.
1/3/2012	Euro RSCG Edge	1028 SF Rd. (Super Electronics) & 1030 SF. Rd (Dona Mercedes)
1/4/2012	Radical Media	700 San Fernando Rd.
1/13/2012	CBS Productions	1246 Kewen
1/19/2012	Kim Comeaux Prod.	SF Regional Pool
2/13/2012	Pacific Prod. Services	101 & 117 N. Maclay
2/13/2012	Bob Industries	101 & 117 N. Maclay (Dominos & Dry Cleaner)
4/6/2012	Dark Plan Prod.	403 Macneil & 1100 Truman & 226/403 N. Maclay
4/17/2012	Radical Media	700 San Fernando Rd. (Rydell Chevy)
4/26/2012	Radical Media	739 Truman (James Restaurant)
5/8/2012	Radical Media	700 San Fernando Rd. (Rydell Chevy)
5/14/2012	Multiview Inc.	1012 Coronel Street
6/13/2012	Radical Media	700 San Fernando Rd. (Rydell Chevy)
6/27/2012	Radical Media	700 San Fernando Rd. (Rydell Chevy)

TOTAL OF 22 PERMITS

FILMING PERMITS FY 11-12



- Filming Location
- Downtown

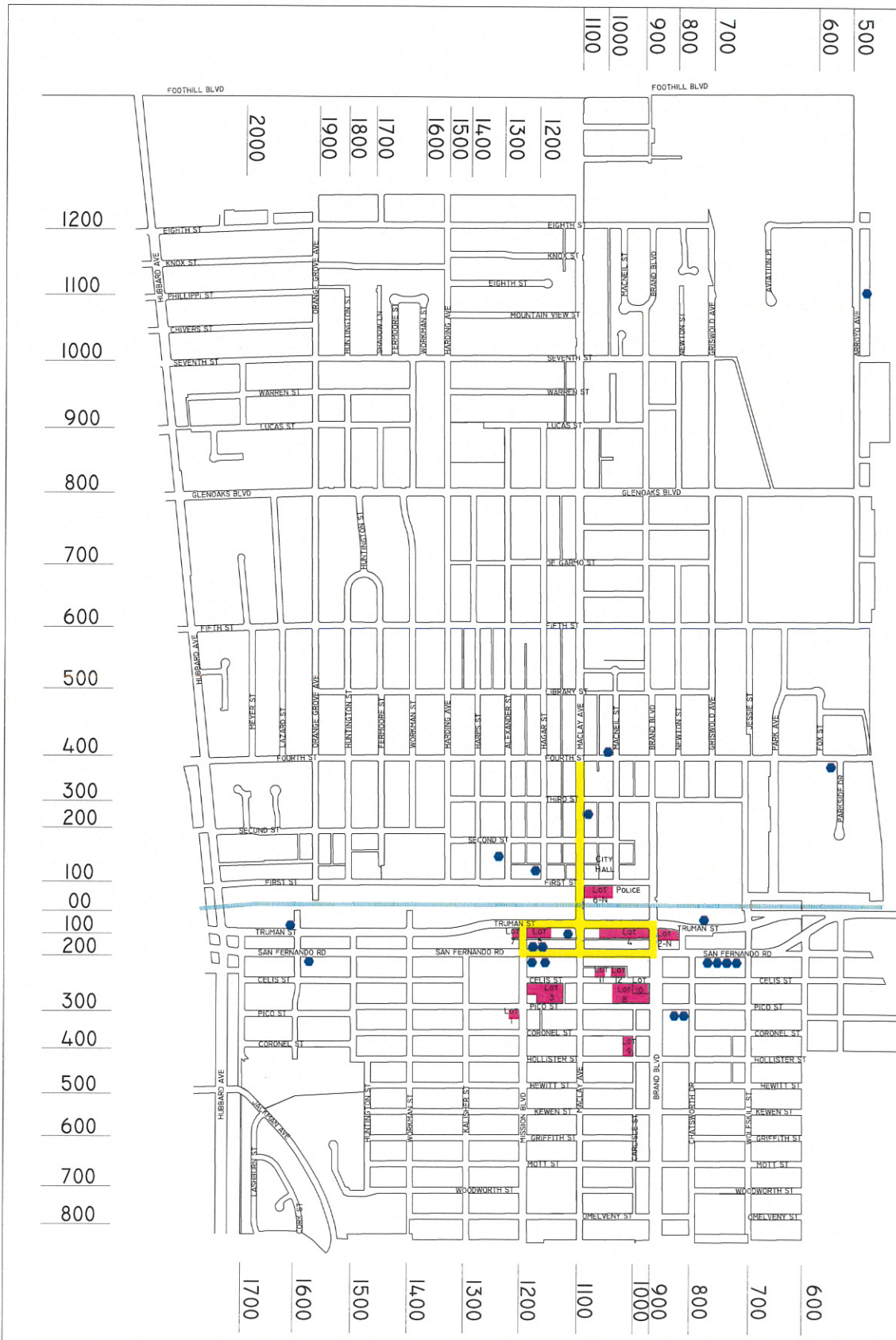
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Filming Permits FY 12-13

Date Of Permit	Permittee	Location
8/13/2012	Wolf Films Inc.	11220/1126 SF Rd. & 1131 SF Rd. (Pawn Shop)
8/16/2012	Dark Plan Prod.	403 Macneil/231 & 226 Maclay/1100 Truman St.
9/10/2012	Radical Media	700 SF Rd. (Rydell Chevy)
9/14/2012	Pacific 2.1 Ent.	111 N. Hagar & 123 N. Alexander Street
10/16/2012	ABC Studios	804 Picos Street (Elks Lodge)
12/4/2012	Furlined Prod.	700 SF Rd.
1/2/2013	Radical Media	700 San Fernando Rd. (Rydell Chevy)
2/27/2013	Safe Camp	1140 San Fernando Rd.
3/11/2013	NY Film Academy	1542 San Fernando Rd.
4/2/2013	CBS Productions	804 Picos Street (Elks Lodge)
4/11/2013	Radical Media	700 San Fernando Rd.
4/22/2013	Long Road Home Prod.	1131 San Fernando Rd. (SF Loan Shop)
5/7/2013	Arts & Science	1204 SF Rd. (Jimmy's Place) & 1601 Truman St. (Gas Station)
5/22/2013	American Film Inst.	355 Parkside Drive
5/30/2015	Revolution Cin. Rntls	1102 Arroyo Avenue

TOTAL OF 15 PERMITS

FILMING PERMITS FY 12-13



 Filming Location
 Downtown


 Scale
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Filming Permits FY 13-14

Date Of Permit	Permittee	Location
7/9/2013	Peter's Half	1112 N. Maclay (Masonic Lodge)
7/12/2013	CBS Productions	804 Pico St. (Elks Lodge)
8/13/2013	Scout Productions	Las Palmas Park
8/13/2013	NBC	1621 First Street
9/9/2013	Pacific Prod. Studios	1621 First Street
9/9/2013	Art Inst. Of CA	SF Regional Pool
9/9/2013	Bonco LLC	459 Griswold
10/14/2013	Pacific 2.1 Enter.	909 San Fernando Rd.
10/30/2013	Company Films	585 Glenoaks Blvd. (Swap Meet Parking)
11/26/2013	CBS Productions	Brand Blvd.
12/9/2013	Nedlands Limited	218 Jessie (SF Middle School)
12/17/2013	Broken Films LLC	922 Lucas Street
12/17/2013	Sketch Prod. LLC	1204 San Fernando Rd. (Jimmy's Place)
1/9/2014	New Remote Prod.	117 Aviation
2/25/2014	Royal We Prod.	601 S. Brand Blvd.
2/25/2014	Lost in Austin	804 Pico (Elks Lodge)
2/25/2014	Lost in Austin	804 Pico (Elks Lodge)
2/27/2014	Lost in Austin	1345 Truman Street (Raul's Garage)
4/7/2014	USC School of Cin. Arts	1513 Coronel St.
4/17/2014	Casa Diva Pictures	SF Regional Pool
5/12/2014	Louie Zach Prod.	1201 SF Rd. (Que Ricos)
5/19/2014	New Remote Prod.	585 Glenoaks (SF Swap Meet)
5/28/2014	Pacific 2.1 Enter.	909 SF Rd. & Paking Lots 4/8
6/17/2014	New Remote Prod.	911 SF Rd. (El Halcon de Oro)
6/16/2014	Promise Productions	1015 First St. (Royal Dance Academy)
6/30/2014	Promise Productions	1015 First St. (Royal Dance Academy)
6/30/2014	Pacific 2.1 Enter.	909 San Fernando Rd.

TOTAL OF 27 PERMITS

FILMING PERMITS FY 13-14



- Filming Location
- Downtown

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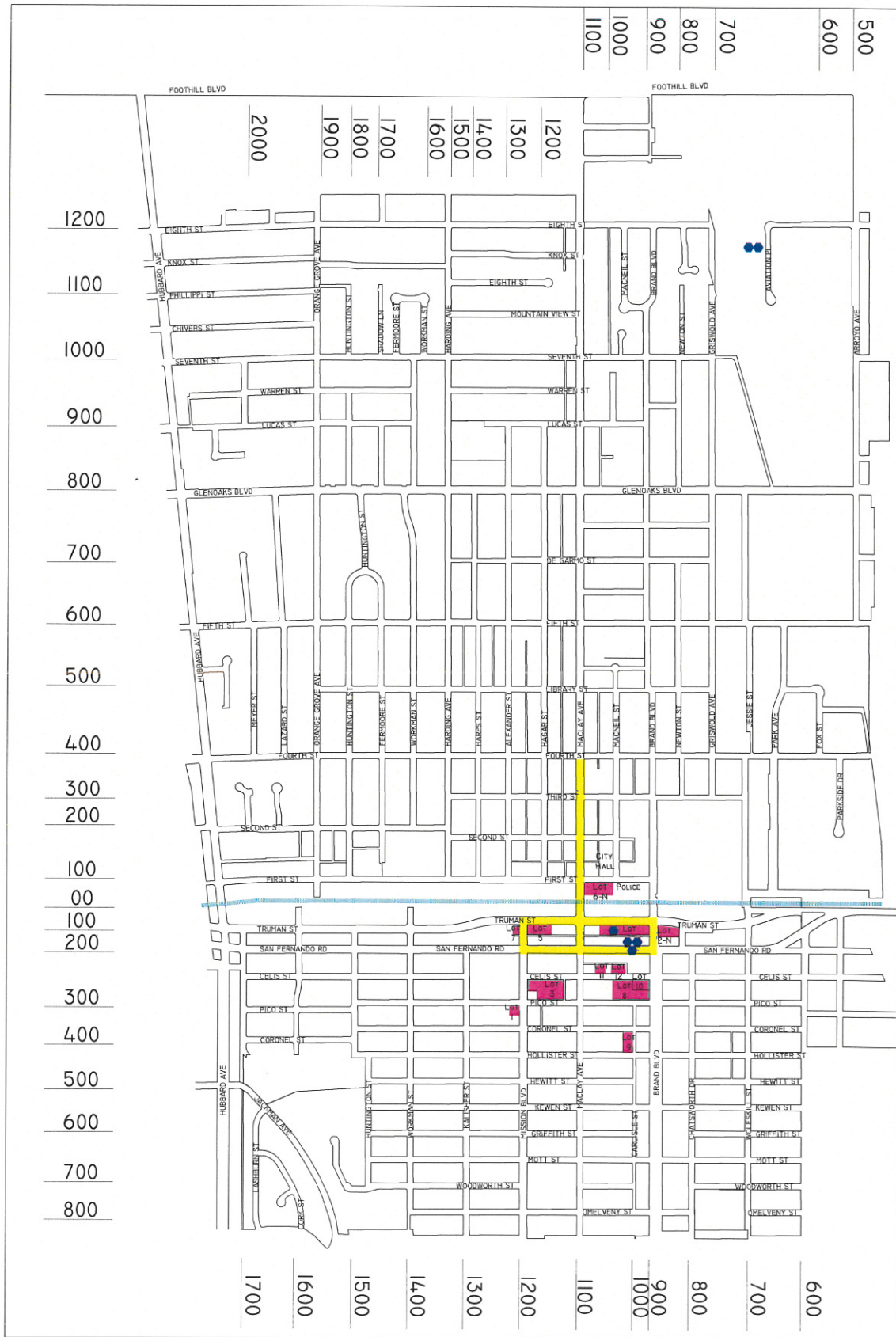
Sons of Anarchy Filming Permits FY 13-14

Date Of Permit	Permittee	Location
7/25/2013	Pacific 2.1 Enter.	909 San Fernando Rd. (Empty Storefront)
7/30/2013	Pacific 2.1 Enter.	909 San Fernando Rd. (Empty Storefront)
9/16/2013	Film This	Paking Lot 4
6/2/2014	New Remote Prod.	1175 Aviation
6/2/2014	New Remote Prod.	1175 Aviation
6/2/2014	New Remote Prod.	909 San Fernando Rd. (Empty Storefront)

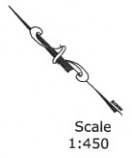
TOTAL OF 6 PERMITS

FILMING PERMITS FY 13-14

Sons of Anarchy



- Filming Location
- Downtown

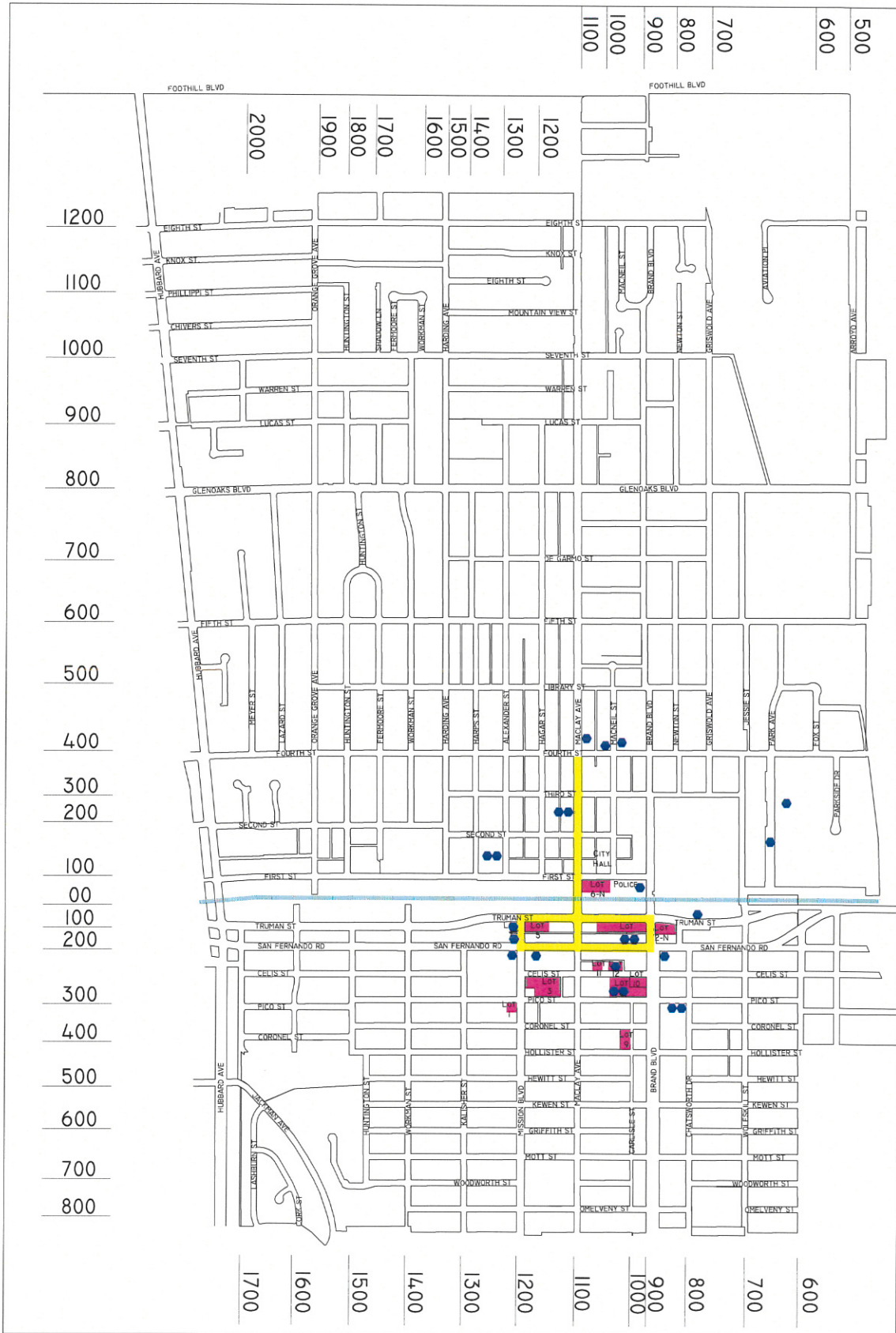


Filming Permits FY 14-15

Date Of Permit	Permittee	Location
7/7/2014	Central Production	910 First St. & 1204 SF Rd. & 403 N. Macneil & 412 N. Maclay
7/8/2014	Gartner	SF Regional Pool
8/29/2014	Kiss & Kill	406 Macneil St. (Private Residence)
9/18/2014	Milloy Films LLC	231 N. Maclay Ave. (House of Brews)
10/6/2014	Open 4 Business	1201 SF Rd. (Que Ricos)
10/8/2014	Pacific Prod. Serv.	Parking Lot 7
10/14/2014	Central Production	739 Truman & 231 N. Maclay & 1140 SF Rd. & 820 SF Rd.
10/14/2014	CBS Productions	804 Pico Street (Elks Lodge)
10/23/2014	CBS Productions	804 Pico Street (Elks Lodge) & Parking Lot 12
11/12/2014	Biscuit Filmworks	Parking Lot 8
12/9/2014	PPS Inc.	911 SF Rd. & 119 Alexander Street
12/9/2014	Park Pictures	911 SF Rd. & 119 Alexander Street
12/9/2014	Biscuit Filmworks	Parking Lot 8
12/10/2014	PPS Inc.	Park Avenue

Total of 14 Permits

FILMING PERMITS FY 14-15



- Filming Location
- Downtown

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Vice Mayor Sylvia Ballin

Date: November 16, 2015

Subject: Discussion Regarding a Request for a Moratorium on Any Multi-Unit Housing of Four Units or More

RECOMMENDATION:

I have placed this on the agenda for City Council discussion and consideration.

I am requesting that City Councilmembers consider authorizing the City Attorney and staff to prepare a moratorium on any multi-unit housing (four units or more) and direct staff to bring back an urgency ordinance at the December 7, 2015 City Council meeting for adoption.

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AGENDA REPORT

To: City Councilmembers

From: Mayor Joel Fajardo

Date: November 16, 2015

Subject: Consideration to Submit an Application for the Food Insecurity Nutrition Incentive Grant Program and Potential Implementation of a Farmer's Market

RECOMMENDATION:

It is recommended that the City Council provide staff direction as it relates to applying for the Food Insecurity Nutrition Incentive (FINI) Grant Program.

BACKGROUND:

In November 2015, City staff and I met with the California Center for Public Advocacy (CCPHA) to discuss the potential collaboration to submit a grant application to receive Food Insecurity Nutrition Incentive (FINI) funds to implement a healthy corner and farmer's market program in the City of San Fernando.

ANALYSIS:

Food Insecurity Nutrition Incentive (FINI) Grant Program

The FINI Grant Program is a program of the United States Department of Agriculture that supports projects to increase the purchase of fruits and vegetables among low-income consumers participating in the Supplemental Nutrition Assistance Program (SNAP) by providing incentives at the point of purchase. There are three categories of projects:

1. FINI Pilot Projects (awards not to exceed a total of \$100,000 over one year);
2. Multi-year, community-based FINI Projects (awards not to exceed a total of \$500,000 over no more than four years); and
3. Multi-year, FINI Large-Scale Projects (awards of \$500,000 or more over no more than four years).

Consideration to Submit an Application for the Food Insecurity Nutrition Incentive Grant ProgramPage 2 of 2

Grantees are to conduct a project assessment and cooperate with and contribute to independent evaluations to determine the relative effectiveness of the grant program in achieving the legislative goals of “increasing fruit and vegetable purchases” and “improving the nutrition and health status” of participating households (Food, Conservation, and Energy Act of 2008, § 4405(b)(4)(A)). NIFA anticipates the amount available for grants under this program in fiscal years 2014 and 2015 will total up to \$31.5 million.

Proposed Project

The three year project for the FINI grant is designed to increase the purchase of fruits and vegetables among low-income consumers in the City of San Fernando. It would be in conjunction with the Supplemental Nutrition Assistance Program (SNAP) that provides incentives at the point of purchase. The project will focus on collaborating with local partners, including corner market store owners to improve their markets healthy retail environment by promoting healthy foods (fruits, vegetables, water, etc.) instead of unhealthy foods (alcohol, sweetened drinks, soda, candy, chips, etc.). In addition, it is proposed to bring in a farmers market into the City of San Fernando to provide SNAP eligible residents access fresh fruits and vegetables.

BUDGET IMPACT:

According to staff, there will be no budget impact to the FY 2015-2016 General Fund. All costs associated with the project will be paid through the Food Insecurity Nutrition Incentive Grant Program. However, City staff time will be required to manage the grant and sub-contractors required to implement the scope of work.

ATTACHMENT:

- A. Food Insecurity Nutrition Incentive Grant Program

ATTACHMENT "A"

United States
Department of
Agriculture

National Institute
of Food and
Agriculture

**Food Insecurity Nutrition Incentive (FINI) Grant Program
2016 Request for Applications (RFA)**

APPLICATION DEADLINE: December 16, 2015

EXECUTIVE SUMMARY: NIFA requests applications for the **Food Insecurity Nutrition Incentive (FINI) Grant Program** for fiscal year (FY) **2016** to support **projects to increase the purchase of fruits and vegetables among low-income consumers participating in the Supplemental Nutrition Assistance Program (SNAP) by providing incentives at the point of purchase.**

Applications are requested in each of the following three categories: (1) FINI Pilot Projects (awards not to exceed a total of \$100,000 over one year); **(2) Multi-year, community-based FINI Projects (awards not to exceed a total of \$500,000 over no more than four years);** and (3) Multi-year, FINI Large-Scale Projects (awards of \$500,000 or more over no more than four years).

Grantees will be expected to conduct a project assessment and to cooperate with and contribute to an independent evaluation to determine the relative effectiveness of the grant program in achieving the **legislative goals of "increasing fruit and vegetable purchases" and "improving the nutrition and health status" of participating households** (Food, Conservation, and Energy Act of 2008, § 4405(b)(4)(A)).

FUNDING OPPORTUNITY DESCRIPTION

PURPOSE AND PRIORITIES

The FINI RFA directly aligns with Strategic Goal 4.2 of the USDA Strategic Plan, which is to Promote Healthy Diet and Physical Activity Behaviors.

The FINI RFA also aligns with the USDA Research, Education, and Economics (REE) Action Plan and specifically addresses Goal 4, Nutrition and Childhood Obesity by strengthening established strategic partnerships and strengthening implementation practices to encourage healthy eating and physical activity at the individual and community levels, focusing on high-risk groups and also advances

The FINI RFA specifically addresses NIFA's "Strategic Goal 1 (Science), by combating childhood obesity by ensuring the availability of affordable, nutritious food and providing individuals and families science-based nutritional guidance (Subgoal 1.5)."

The primary goal of the FINI grants program is to fund and evaluate projects intended to "increase the purchase of fruits and vegetables by low-income consumers participating in Supplemental Nutrition Assistance Program (SNAP) by providing incentives at the point of purchase" (FCEA, § 4405(b)(2)(A)(ii)(II)). For FINI grants, NIFA defines "fruits and vegetables" as "any variety of fresh, canned, dried, or frozen

whole or cut fruits and vegetables without added sugars, fats, or oils, and salt (i.e. sodium).” The program will test strategies that could contribute to our understanding of how best to increase the purchase of fruits and vegetables by SNAP participants to inform future efforts, and develop effective and efficient benefit redemption technologies.

The Act requires the Secretary to conduct an independent evaluation of funded projects, to measure the impact of projects on: “improving the nutrition and health status of participating households receiving incentives” and “increasing fruit and vegetable purchases in participating households.”

Incentivizing purchases of fruits and vegetables increases their affordability and consumption. For example, USDA recently completed an evaluation of the Healthy Incentives Pilot (HIP), which investigated the impact of making fruits and vegetables more affordable to SNAP participants. Under HIP, SNAP households received 30 cents deposited directly back onto their Electronic Benefit Transfer (EBT) card to be spent on any SNAP-eligible food or beverage for every SNAP dollar they spent on targeted fruits and vegetables at participating SNAP-authorized retailers including large supermarkets, grocery stores and farmers markets. This pilot operated in Hampden County MA between November 2011 and December 2012. A rigorous evaluation showed that HIP significantly increased the consumption of targeted fruits and vegetables and this increased consumption was on the order of about one quarter of a cup per day. The final evaluation report is available online at <http://www.fns.usda.gov/healthy-incentives-pilot-final-evaluation-report>.

Grantees that receive both FINI and SNAP-Ed funds:

- While SNAP-Ed providers are encouraged to form partnerships and collaborations in order to leverage resources, SNAP-Ed funds may not be used to provide actual cash or other financial incentives.
- SNAP-Ed funds can be used for policy, systems and environmental change interventions, such as working with retailers on fruit and vegetable product placement, and social marketing in addition to educational efforts at venues such as Farmers Markets, Senior Centers, Child Care locations etc.

All FINI projects must (1) have the support of the State agency responsible for the administration of SNAP; (2) increase the purchase of fruits and vegetables by low-income consumers participating in SNAP by providing incentives at the point of purchase; (3) operate through authorized SNAP retailers, and in compliance with all relevant SNAP regulations and operating requirements; (4) agree to participate in the FINI comprehensive program evaluation; (5) ensure that the same terms and conditions apply to purchases made by individuals with SNAP benefits and with incentives under the FINI grants program as apply to purchases made by individuals who are not members of households receiving benefits as provided in 7 CFR. 278.2(b); and (6) include effective and efficient technologies for benefit redemption systems that may be replicated in other States and communities.

The term “incentive” means any financial or non-financial inducements that would increase the purchase and consumption of eligible fruits and vegetables by SNAP clients.

- Examples of allowable financial incentives include, but are not limited to, vouchers redeemable for eligible fruits and vegetables; other SNAP-eligible items received for having purchased fruits and vegetables; and direct point-of-sale discounts on eligible fruits and vegetables.
- Examples of allowable non-financial incentives include, but are not limited to, giveaways of eligible fruits and vegetables; and nutrition education.
- Examples of unallowable incentives include, but are not limited to, giveaways of alcohol, tobacco, firearms, and lottery tickets.

Incentives that are not allowed may not be paid for with either Federal or matching funds. In addition, the cost of incentives must be allowable under the applicable cost principles in 2 CFR part 200, Subpart E.

Priority will be given to grant proposals with incentives that are most likely to directly and efficiently increase the purchase and consumption of eligible fruits and vegetables by SNAP clients. Any grant proposal that includes non-financial incentives will be subject to additional scrutiny prior to approval, and would need to explain clearly how it contributes to the overall objectives of this program. In general, USDA expects non-financial incentives, if used, to be supplemental to a strong financial-based incentive.

In reviewing applications submitted in response to this RFA, and depending on the type of FINI project (as described in further detail in Part I, C.1, C.2, and C.3), NIFA will give priority to projects that:

- Maximize the share of funds used for direct incentives to participants;
- Test innovative or promising strategies that would contribute to our understanding of how best to increase the purchase of fruits and vegetables by SNAP participants, that would inform future efforts;
- Develop innovative or improved benefit redemption systems that could be replicated or scaled;
- Use direct-to-consumer sales marketing;
- Demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers;
- Provide locally or regionally produced fruits and vegetables (as defined in Subpart VIII (E) of this document), especially culturally appropriate fruits and vegetables for the target audience; and
- Are located in underserved communities, particularly Promise Zones and StrikeForce communities (see Part VIII, E for more information).

FINI projects present the opportunity to bring together stakeholders from the distinct parts of the food system and to foster understanding of how they might improve the nutrition and health status of participating households receiving incentives to purchase fruits and vegetables. FINI projects are also intended to address the development of effective and efficient technologies for benefit redemption that are replicable by others.

PROGRAM AREA DESCRIPTION

FINI Projects (FP)

Funding Level: Awards not to exceed \$500,000.

Period of Performance: Project period is not to exceed four (4) years

FINI Projects (FP) support the development and evaluation of projects to increase the purchase of fruits and vegetables (as defined in Subpart VIII (E) of this document) by low-income consumers participating in SNAP by providing incentives at the point of purchase. The projects will test strategies that could increase the purchase of fruits and vegetables by SNAP participants to inform future efforts, and develop effective and efficient benefit redemption technologies.

FPs should be designed to create or support local community-based food projects with objectives, activities, and outcomes that are in alignment with the FINI grants program's primary goals. FPs are aimed at mid-sized groups developing incentive programs at the local or State level; organizations in this category are typically not new to implementing such programs, although projects are required to expand the breadth, scope or reach of these programs, rather than supplant current program resources. FPs are not in the pilot stages of development and should have established relationships with necessary partners and collaborators. FPs must have the support of the State SNAP agency, operate through authorized SNAP retailers, and comply with all relevant SNAP regulations and operating requirements. Preference will be given to projects that include one or more of the following:

- (i) Maximize the share of funds used for direct incentives to participants;
- (ii) Test innovative or promising strategies that would contribute to our understanding of how best to increase the purchase of fruits and vegetables by SNAP participants, to inform future efforts;
- (iii) Develop innovative or improved benefit redemption systems that could be replicated or scaled;
- (iv) Use direct-to-consumer sales marketing;
- (v) Demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers;
- (vi) Provide locally or regionally produced fruits and vegetables, especially culturally appropriate fruits and vegetables for the target audience; and/or
- (vii) Are located in underserved communities, particularly Promise Zones and StrikeForce communities.

Examples of FPs include, but are not limited to, innovative strategies working at point of purchase with SNAP authorized retailers, including food stores, market stands, farmers' markets, CSAs, marketing and consumer cooperatives, and other SNAP authorized retailers.

Project Self-Evaluation. All FPs must involve SNAP participants and include an evaluation of whether the project met its goals and objectives. Project evaluations must follow USDA guidelines to ensure an appropriate level of comparability of methods, outcomes, and measures. All FPs will also be required to cooperate with and contribute to an independent evaluation contractor conducting the comprehensive

program evaluation.

TYPES OF APPLICATIONS

New application. This is a project application that has not been previously submitted to the FINI Program. We will review all new applications competitively using the selection process and evaluation criteria described in Part V—Application Review Requirements.

PROJECT TYPES

FINI Projects (FP)

FINI Projects are aimed at mid-sized groups developing incentive programs at the local or State level. Applicants should request a budget and project period commensurate with the proposed project. FP proposals should include a budget of no more than \$500,000 for a project period not to exceed four years. Proposal budgets may be less than \$500,000 and/or a proposed project period of less than four years. Applications that exceed budgetary guidelines will not be reviewed.

ELIGIBILITY INFORMATION

Eligible Applicants

Applications may only be submitted by government agencies and non-profit organizations. Award recipients may subcontract to organizations not eligible to apply provided such organizations are necessary for the conduct of the project. Failure to meet an eligibility criterion by the time of application deadline may result in the application being excluded from consideration or, even though an application may be reviewed, will preclude NIFA from making an award.

FPP, FP, & FLSP Eligible Entity

Eligibility to receive this grant is limited to government agencies and non-profit organizations (FCEA, § 4405(b)(2)(A)). Eligible government agencies and non-profit organizations may include: an emergency feeding organization; an agricultural cooperative; a producer network or association; a community health organization; a public benefit corporation; an economic development corporation; a farmers' market; a community-supported agriculture program; a buying club; a SNAP-authorized retailer; and a State, local, or tribal agency. All applicants must demonstrate in their application that they are a government agency or non-profit organization.

To be eligible to receive a FPP, FP, or FLSP grant, applicants must propose projects that: (1) have the support of the State SNAP agency; (2) would increase the purchase of fruits and vegetables by low-income consumers participating in SNAP by providing incentives at the point of purchase; (3) operate through authorized SNAP retailers, and comply with all relevant SNAP regulations and operating requirements; (4) agree to participate in the FINI comprehensive program evaluation; (5) ensure that the same terms and conditions apply to purchases made by individuals with SNAP benefits and with incentives under the FINI grants program as apply to purchases made by individuals who are not members of households receiving benefits as provided in 7 C.F.R. 278.2(b); and (6) include effective and efficient technologies for benefit redemption systems that may be replicated in other States and communities.

In addition, applicants must meet the following requirements to receive a FPP, FP, or FLSP grant: (1) have experience in (i) efforts to reduce food insecurity in the community, including food distribution, improving access to services, or coordinating services and programs; or (ii) experience with the SNAP program; (2) demonstrate competency to implement a project, provide fiscal accountability, collect data, and prepare reports and other necessary documentation; (3) secure the commitment of the State SNAP agency to cooperate with the project; and (4) possess a demonstrated willingness to share information with researchers, evaluators (including the independent evaluator for the program), practitioners, and other interested parties, including a plan for dissemination of results to stakeholders.

Projects are encouraged to provide employees with important job skills. Additionally, applicants are encouraged to have experience the following areas: (i) community food work, particularly concerning small and medium-sized farms, including the provision of food to people in low-income communities and the development of new markets in low-income communities for agricultural producers; and (ii) job training and business development activities for food-related activities in low-income communities.

Partners and Collaborators

Applicants for FPP, FP, and FLSP awards are encouraged to seek and create partnerships with public or private, non-profit or for-profit entities, including links with academic institutions (including minority-serving colleges and universities) and/or other appropriate professionals; community-based organizations; local government entities; Promise Zone lead applicant/organization or implementation partners; and StrikeForce area coordinators and/or partnering entities for the purposes of providing additional resources and strengthening under-resourced communities. *Only the applicant must meet the requirements specified above for grant eligibility.* Project partners and collaborators need not meet the eligibility requirements. When planning collaborations, see Part III, B. Award recipients may subcontract to organizations not eligible to apply provided such organizations are necessary for the successful completion of the project. See Part IV, D., Funding Restrictions.

Cost Sharing or Matching

FPP, FP, and FLSP applicants MUST provide matching contributions on a dollar-for-dollar basis for all Federal funds awarded. Match must be documented for all project years at the time the application is submitted. FPP, FP, and FLSP grantees may meet the match requirement through cash and/or in-kind contributions, including third-party in-kind contributions fairly evaluated, including facilities, equipment, or services.

The non-Federal share of the funding may come from State government, local government, or private sources. Federal money cannot be used to match. Examples of qualifying matching contributions may include direct costs such as: rent for office space used exclusively for the funded project; duplication or postage costs; and staff time from an entity other than the applicant for job training or nutrition education.

PROPOSAL FORMAT:

a. Project Summary/Abstract. The summary should also include the relevance of the project to the goals of **FINI grants program**. See Part V. 4.7 of NIFA Grants.gov Application Guide for further instructions and a link to a suggested template.

b. Project Narrative.

NOTE: The Project Narrative shall not exceed **10** pages of written text regardless of whether it is single- or double-spaced and up to **5** additional pages for figures and tables. We have established this maximum (15 pages) to ensure fair and equitable competition. The Project Narrative must include all of the following:

1. FINI Pilot Projects, FINI Projects, and FINI Large Scale Projects

The Project Narrative for FINI Pilot Projects (FPPs), FINI Projects (FPs), and FINI Large Scale Projects (FLSPs) must include the headings below in bold followed by the response for each of the points noted below.

(a) The Community to be Involved in the Project and the Needs to be Addressed. Identify and succinctly describe the critical elements and needs of the local food economy or food system, including demographics, income, and geographic characteristics of the area or community to be served and how the community might benefit from an incentive project. Beyond a recitation of statistics, applications should describe local capabilities and assets, such as those identified in a community food assessment, and involvement of low-income communities in the context of project activities and operations.

Most relevant is an explanation of why the applicant and its partners selected the activities proposed in the application. Note the main targets or beneficiaries of the project and the community needs and opportunities being addressed. The needs addressed should directly relate to project goals and objectives described below. It is recommended that this section be no more than one and one-half page.

(b) The Organizations and Communities Involved in the Project. List the organizations and communities to be involved in carrying out the proposed project. Include a description of the relevant experience of each community group or organization, including the applicant organization that will be involved, and any related project history. Proposals should demonstrate community linkages and coalitions as appropriate. The qualifications of staff involved with the proposed project and/or organizational leadership should reflect the expertise necessary to carry out the proposed project activities or similar types of activities. Specify the degree to which paid and volunteer staff will be utilized. Experience in and connections with the community will be considered as important as academic or professional credentials in this regard.

To the extent practicable ensure that low-income residents are involved in planning; in particular, describe how the communities being served – particularly the targeted residents and organizations have been or will be involved in planning the project and will be engaged in its implementation and evaluation process. Please reference planning activities, assessments, meetings, or other activities that demonstrate community input into key decision-making.

Letters from the key organizations involved in the project, acknowledging their support and contributions, should be provided. A limited number of additional support letters – such as those from

farmers or partner organizations, where appropriate, are encouraged to provide evidence of broad community involvement in both planning and future decision-making. All support letters should be attached in Field 12, Other Attachments (See Part IV, B. 3. c., below, Key Organization Support).

(c) Project Goals and Intended Outcomes. List the goals and intended outcomes of the project, and how they contribute to the primary goal of the FINI grants program. Outcomes should describe specific changes or results that will occur as a consequence of the project and that will constitute “success” for the initiative, including a general description of the range of fruits and vegetables that would be incentivized (such as, but not limited to, fresh, canned, or dried forms). Outcomes should be specific, measurable, achievable, realistic, and timely, describe what will be accomplished, and who and how many people, e.g., residents, participants, will benefit. It is recommended that this section be no more than two pages.

(d) Activities to Achieve the Goals. Discuss how the goals and intended outcomes will be achieved and include how the proposed activities comply with the rules and regulations of SNAP. Discuss how the proposed project outcomes will be realized by providing a systematic description of how the most important steps or milestones will be accomplished. Particular attention should be given to existing technical capabilities and any technical solutions that must be developed for goals, objectives, and outcomes to be achieved. In addition to these descriptions, it is recommended that a table of up to three pages be provided with implementation details for these activities, including: (a) specific steps and achievements in planning, implementing, and evaluating; (b) timetables for milestones, and, as relevant; (c) expected numbers of participants involved in each step of the process. Describe how the proposed project will develop effective and efficient technologies for benefit redemption systems that may be replicated and scaled in other States and communities in the future.

(e) Relationship to Program Objectives. Discuss how the project and its proposed outcomes will address the objectives of the FINI grants program as described in Part I., B. Discuss the specific changes that will result among participants or in the communities served that address these FINI grants program priorities. It is recommended that this section be no more than one page.

(f) Evaluation. Evaluation is a critical purpose of the FINI grant program. By testing and evaluating various methods and technologies to increase the fruit and vegetable purchases and improving the nutrition and health status of participating households through the FINI grant program, NIFA seeks to determine best practices, and the relative effectiveness of various incentive programs as well as benefit redemption methods. The evaluation requirements of the FINI grant program, therefore, include both process (developing and monitoring indicators of progress towards objectives) and outcomes. Recognizing that FINI projects are likely to vary substantially in scale and maturity, and that grantees are likely to vary considerably in evaluation capacity and expertise, the evaluation requirements differ for each of the three grant categories. The FINI grant program requires a project self-evaluation by each grantee and participation in the program evaluation conducted by the independent evaluator. All FINI Pilot Projects (FPP) must include a process analysis, a self-assessment of their success in developing a viable project. FPPs will document the process, challenges, and success of implementation and operations. Because these projects are in the earliest stages of development that do not offer a fair

test of their potential effectiveness, limited information will be reported to the independent evaluator. FPPs must provide preliminary results of their self-assessment in the annual report to NIFA and to the independent evaluation contractor.

All FINI Projects (FP) must include a process analysis, a self-assessment of their success in developing and operating a viable project. FPs will document the process, challenges, and success of implementation and operations. The process assessment should contain enough timely information over the course of the project to improve program outcomes. FPs must provide preliminary results of their self-assessment in the annual report to NIFA and to the independent evaluator. In addition, because of their expected scope, FPs will be required to cooperate with the independent evaluator.

Project Type	Project Self-Evaluation	Comprehensive Program Evaluation (by independent evaluator)
FPP	Process evaluation	<ul style="list-style-type: none"> ● Required to participate ● Participation includes providing self-assessment information to independent evaluator.
FP	Process evaluation	<ul style="list-style-type: none"> ● Required to participate ● Contribute to minimum core data set ● Collaborate with independent evaluator to identify comparison sites
FLSP	Rigorous self-evaluation (process and outcome)	<ul style="list-style-type: none"> ● Required to participate ● Contribute to minimum core data set ● Collaborate with independent evaluator to identify comparison sites

All FINI Large-Scale Projects (FLSP) must include (1) a process assessment that documents the process, challenges, and success of implementation and operations and (2) an outcome assessment that documents the project’s effectiveness in increasing fruit and vegetable purchases among SNAP participants. The process assessment should contain enough timely information over the course of the project to measure program outcomes. Preliminary results shall be included in the annual report to NIFA and to the independent evaluation contractor. Outcome self-assessments must follow guidelines developed by the independent evaluation contractor in collaboration with grantees to ensure an appropriate level of comparability of methods, outcomes, and measures. In addition, because of their expected scale and maturity, FLSPs will be required to cooperate with the independent evaluator.

Comprehensive FINI Program Evaluation (by independent evaluator). The independent evaluation is expected to be based on a cluster evaluation model that builds on the collaboration and coordination of individual project assessments and an overall program evaluation. It is expected to consist of four components: a *process analysis* to describe project implementation and support future replication of successful approaches, an *outcome analysis* to assess the effectiveness of each FP and FSLP, a *comparative analysis* to integrate results across sites and approaches, attempting to answer the question of what works best (and when or where), and *technical assistance* to support consistent implementation of evaluation protocols.

USDA has determined that a comparison group design offers the best balance between the statutory requirement to use “rigorous methodologies capable of producing scientifically valid information” while accommodating the limited administrative and evaluation capacities of potential FPs and FSLPs (FPPs have a limited role in the independent evaluation). This quasi- experimental approach uses a comparison site – such as a neighborhood across town or a group of SNAP participants who are not offered the nutrition incentive – as a baseline to assess the effect of offering an incentive. Outcomes for each group (intervention and comparison) are measured before and again sometime after the nutrition incentive is provided. The independent evaluator – working in collaboration with FPs and FSLPs – will identify groups that are as similar as possible to the intervention communities to make the comparison as fair as possible.

All FPs and FSLPs will be required to cooperate with the independent evaluator by:

- Supporting implementation of evaluation requirements (including but not limited to helping the independent evaluation contractor identify appropriate comparison sites or groups and providing the minimum core data set described below);
- Meeting periodically with staff from NIFA, FNS, the independent evaluation contractor, and other FINI grantees to review project plans, evaluation objectives and methods, data collection and reporting requirements, and analysis and reporting of results;
- Facilitating access to or providing documentation of project implementation, operations, costs, and outcomes; and
- Facilitating site visits and interviews with project staff, partners and program participants.

FPs and FLSPs will be required to periodically provide the independent evaluation contractor a minimum core data set to ensure common program tracking and enable meaningful comparisons across all projects. FPs and FLSPs may choose at their option to collect additional information beyond the minimum core data set as part of their self-assessments; the independent evaluation contractor will also collect additional data, including information on consumer knowledge, attitudes, perceptions, and purchase and consumption behaviors. The minimum core data set includes the following:

Site and Project Information

- Management or organizational structure of the program
- Financial instrument used for SNAP and incentive purchases (tokens, scrip, electronic, etc.)
- Retail locations, mobile routes, or other pertinent information to understand how the project

improves access to healthy food for underserved, low-income consumers

- Months of operation and operating days and hours
- Whether it is a new SNAP incentive program or the continuation, expansion, or modification of an existing program
- Whether program sites accept other nutrition assistance program benefits
- Whether program sites collaborate with nutrition education programs or offer other experiential nutrition education activities
- Expenses associated with establishment and operations of the program

Incentive Program Information

- Fruit and vegetable products eligible for incentives
- Incentive level (ratio and maximum)
- Incentive delivery mechanism
- Number of SNAP participants (per site/per year)
- Dollar value of SNAP purchases (per site/per year)
- Number of SNAP transactions (per site/per year)
- Dollar value of incentives issued (per site/per year)
- Dollar value of incentives redeemed (per site/per year)
- Average incentive value redeemed per recipient (weekly/monthly/annually)

Proposals should discuss any opportunities and challenges with the evaluation requirements and how they will be addressed. Proposals should also describe any previous process, outcome, and impact evaluation experience with SNAP participants or other related food programs. The proposal should demonstrate the capacity and willingness to comply with the evaluation requirements.

(g) Specific Program and Incentive Information. Additional important information that must be included in each type of proposal:

- Type of SNAP retailers involved (retail stores, farmers markets, mobile markets, CSAs, etc.)
- Number of months and days that the project, if funded, will operate (e.g. a project at a seasonal farmers market that will operate from June 15 through October 15.)
- Trigger for EARNING the incentive (purchasing fruits or vegetables, purchasing specified fruits and/or vegetables, no purchase necessary, etc.)
- Type of trigger for and the amount of the incentive at different types of retailers
- Products eligible to be PURCHASED or RECEIVED at the point of incentive redemption (all SNAP-eligible foods, all fruits and vegetables, only specified fruits and/or vegetables, etc.)
- Incentive level (percentage discount, ratio, or dollar amount and maximum)
- Financial instrument used for incentive delivery (tokens, scrip, electronic, etc.)
- Indicate if the proposal is a new SNAP incentive program or a continuation, expansion, or modification of an existing program
- Indicate if nutrition education or other interventions will be combined with the incentive
- List where the project and sub-grantee projects will operate

- Indicate if any special waivers will be requested and what the waivers will include
- Indicate if there are any identified retailer participants that still need to be authorized for SNAP, include the store/firm names and locations (or provide the page number (s) in the proposal where these are found)
- Indicate if the project anticipates new retailers that are not currently SNAP authorized, where known, include the store/firm names and locations (or provide the page number(s) in the proposal where these are found)
- Provide the approximate number of retailers, and if specific retailer names, locations, and FNS numbers are known, please provide this information
- Indicate if the project anticipates making any technical enhancements to the retailers, EBT, or other systems. Provide a high-level description of any such proposed technical enhancements and page number(s) in the proposal indicating where a detailed description of technical enhancements is found
- Implementation plan for rollout of incentives across the retailer types that includes anticipated start dates and a plan for communicating changes in implementation schedule to USDA's Food and Nutrition Service and the independent evaluation contractor

Proposals must include this detailed information in Section (g) under the heading "Specific Program and Incentive Information" so the information may be easily pulled out and used by the reviewers and the independent evaluator.

(h) Sustainability. Describe which aspects or components of the project will continue beyond the end of the project period. Discuss how an infusion of Federal funds will be sufficient for the proposed project to advance local capacity-building and achieve sustainability. Projects may identify actual or potential funding sources for continuation of the project. Applicants should differentiate between how the basic elements of the project will be continued versus how the low-income community will be changed and its capacity advanced.

Projects should provide evidence, e.g., a market analysis or the outline of a business plan, to demonstrate that it is likely to become successful in meeting FINI grant program goals. Business plan outlines or any other documentation of evidence for sustainability should be no more than five pages and should be included as an appendix. Such evidence should be included as an Other Attachment, Field 12 (see Part IV.B.3.c.).

(i) Non-supplantation. Grants shall be used to supplement, not supplant, non-Federal funds that would otherwise be available for expenditure on incentive program activities. Grant funds must be used to fund new projects, or expand or enhance existing projects. They may not be used to replace State or local funds that would, in the absence of Federal aid, be available or forthcoming for incentive programs.

c. Field 12. Other Attachments. All attachments must be in PDF format.

- **Key Organization Support.** Attach signed letters from the State SNAP agency and any other key organizations involved in the project acknowledging their support, contributions and

commitment; title the attachment 'Key Organization Support'. Provide evidence of broad community involvement in both planning and decision-making. This section is limited to two page letters of support for each key organization.

- **Matching Funds Documentation.** For **FPP, FP, and FLSP** applicants, this grant program requires applicants to match Federal funds awarded on a dollar-for-dollar basis from non-Federal sources as described in Part III, B. Letters signed by the AR from each source of matching funds are required, and should be attached in Field 12; title the attachment 'Matching Funds'. Recommended contents of the letter are described below in item 6., R&R Budget (Fed/Non-Fed).
- **Appendices to Project Narrative.** Title the attachment as 'Appendices' in the document header and save file as 'Appendices'. ***Appendices to the Project Narrative are allowed if they are directly germane to the proposed project. The addition of appendices must not exceed seven (7) pages and should not be used to circumvent the text and/or figures and tables page limitations.***
- **Logic Model.** Title the attachment as 'Logic Model' in the document header and save file as 'LogicModel'. In order to allow for sufficient evaluation of projects as described, it is recommended that applicants set aside between five and ten percent of the total project budget for evaluation purposes. Applicants should seek the help of academic or other experts in evaluation design and implementation, as appropriate and available. A logic model or chart may also be used. It is recommended that this section be no more than one page.
http://www.nifa.usda.gov/about/strat_plan_logic_models.html
- **Fiscal Agent Letter.** See Part III A. 2. If it is necessary to include a fiscal agent letter, then title the attachment as 'Fiscal Agent' in the document header and save file as 'Fiscal Agent'. Include documents showing the organizations non-profit status here.

2. R&R Senior/Key Person Profile (Expanded)

Information related to the questions on this form is dealt with in detail in Part V, 5. of the NIFA Grants.gov Application Guide. This section of the Guide includes information about the people who require a Senior/Key Person Profile, and details about the Biographical Sketch and the Current and Pending Support, including a link to a suggested template for the Current and Pending Support.

3. R&R Personal Data – As noted in Part V, 6. of the NIFA Grants.gov Application Guide, the submission of this information is voluntary and is not a precondition of award.

4. R&R Budget

Information related to the questions on this form is dealt with in detail in Part V, 7. of the NIFA Grants.gov Application Guide.

NOTE: For each budget prepared, a budget justification is to be attached to justify costs (both Federal and non-Federal) included in that budget.

Matching.

i. Applicant's Contribution. As stated in Part III, B., matching funds are mandatory for FPPs, FPs, and FLSPs. The R&R Budget ("Fed/Non-Fed") form must be utilized. The applicant's matching support should be shown on the budget in the appropriate categories (salary, materials and supplies, equipment, etc.). **A budget justification (Field K. on the Form) must be included in each budget explaining all Federal and non-Federal costs included therein.**

ii. Third-party Contributions. Each third party contributor should be listed separately under Other Direct Costs (Field F. on the Form) and the amount contributed placed in the "Non-Federal (\$)" column. A detailed breakdown of third-party contributions by donor and budget category should be submitted as an attachment as part of the budget justification (Field K. on the Form). See below.

Proposals should include written verification of commitments of matching support (including both cash and in-kind contributions) from third parties. Letters of commitment for third party matching for the 1st, 2nd, 3rd, and 4th years of multi-year projects must be secured prior to the application submittal. Awards will not be issued until all matching has been verified. Written verification means:

(a) For any third party cash contributions, a separate pledge agreement for each donation, signed by the authorized representatives of the donor organization and the applicant organization, which must include: (1) the name, address, and telephone number of the donor; (2) the name of the applicant organization; (3) the title of the project for which the donation is made; (4) the dollar amount of the cash donation; (5) a statement that the donor will pay the cash contribution during the grant period; and (6) whether the applicant can designate cash as the applicant deems necessary or the cash contribution has been designated to a particular budget item; and

(b) For any third party in-kind contributions, a separate pledge agreement (letter of commitment) for each contribution, signed by the authorized representatives of the donor organization and the applicant organization, which must include: (1) the name, address, and telephone number of the donor; (2) the name of the applicant organization; (3) the title of the project for which the donation is made; (4) a good faith estimate of the current fair market value of the third party in-kind contribution; and (5) a statement that the donor will make the contribution during the grant period.

The sources and amount of all matching support from outside the applicant organization should be summarized on a separate page and attached in the SF 424 (R&R) Other Project Information, Field 12 (Title the attachment "Matching Support"). In addition, each source of non-Federal matching funds must be accompanied by written verification of commitment of matching support (i.e., a signed letter from the AR of the source of matching funds; including both cash and in-kind contributions) from third parties. Include each of these signed matching letters, as attachments, in Field 12 of the SF 424 (R&R) Other Project Information form.

Establish the value of applicant contributions in accordance with applicable cost principles. Refer to 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", for further guidance and other requirements relating to matching and allowable costs.

FUNDING RESTRICTIONS

1. Indirect Costs

Applicants may request full indirect costs, subject to statutory limitations.

In order to do so, the applicant must use the current negotiated indirect cost rate established by its cognizant Federal agency (the agency that provides the most funds). If awarded, the applicant will be required to produce a negotiated indirect cost rate agreement from the cognizant agency in order to recover indirect costs. If unable to obtain a negotiated rate from its cognizant agency, the applicant is not permitted indirect cost reimbursement. Rather, the applicant may only be reimbursed for allowable direct costs. Violation of cost accounting principles is not permitted when re-budgeting or charging costs to awards. Rather, costs must be consistently charged as either indirect or direct costs.

If the applicant wants full indirect costs, but does not have a negotiated rate, and NIFA is the cognizant agency, the applicant must calculate an indirect cost rate in order to request indirect costs. Several sample indirect cost rate calculations are provided on NIFA's indirect cost webpage located at: http://nifa.usda.gov/business/indirect_cost_process.html. During the application process, the applicant is not required to complete the entire indirect cost package identified on NIFA's website. Rather, the applicant need only calculate an indirect cost rate to serve as a basis for requesting indirect costs. If awarded, the applicant will be required to submit a complete Indirect Cost Proposal (ICP) package in order to obtain a negotiated rate as explained on NIFA's indirect cost website.

Applicants may request a 10% de minimis indirect cost rate, subject to statutory limitations.

Applicants who cannot obtain a negotiated rate from their cognizant agency, or who do not wish to go through the negotiation process, may request a 10% de minimis rate if eligible. Applicants who have never received a Negotiated Indirect Cost Rate Agreement (NICRA) are eligible to request a 10% de minimis indirect cost rate.

The 10% de minimis rate should be applied to Modified Total Direct Costs (MTDC). MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Violation of cost accounting principles is not permitted when charging costs to awards. Rather, costs must be consistently charged as either indirect or direct costs. If the cognizant agency issues a negotiated rate subsequent to award, the negotiated rate may not be retroactively applied.

2. Subcontract Restriction

The applicant is expected to perform a substantive portion of the project and no more than 50 percent of FPP, FP, and FLSP as determined by budget expenditures, may be subawarded. NIFA will allow applicants to indicate in their proposal if they intend to subcontract more than 50% of the award. This deviation will require NIFA approval. Projects may divide their budget allocations between partners as it fits their work plan. (For additional knowledge or expertise that is not available within the applicant organization, funds for expert consultation may be included in the "All Other Direct Costs" section of the proposed budget.)

3. Multiple Submissions

The FINI grants program will only accept one application across the three project types per project team under this RFA.

4. Funding Period Limitation

The maximum potential funding period (including any awards transferred from another institution or organization) is limited to 4 years in duration. The funding period will commence on the effective date cited in the award instrument. Any such limitation also applies to subcontracts made under awards subject to a funding period limitation.

5. Prohibiting Government-Sponsored Recruitment Activities

Grant funds may not be used for television, radio, or billboard advertisements that are designed to promote SNAP benefits and enrollment. Grant funds may also not be used for recruitment activities that are designed to persuade an individual to apply for SNAP.

APPLICATION REVIEW REQUIREMENTS

GENERAL

We evaluate each application in a two-part process. First, we screen each application to ensure that it meets the administrative requirements as set forth in this RFA. Second, a technical review panel will evaluate applications that meet the administrative requirements.

We select reviewers based upon their training and experience in relevant scientific, extension, or education fields, taking into account the following factors: (a) The level of relevant formal scientific, technical education, or extension experience of the individual, as well as the extent to which an individual is engaged in relevant research, education, or extension activities; (b) the need to include as reviewers experts from various areas of specialization within relevant scientific, education, or extension fields; (c) the need to include as reviewers other experts (e.g., producers, range or forest managers/operators, and consumers) who can assess relevance of the applications to targeted audiences and to program needs; (d) the need to include as reviewers experts from a variety of organizational types (e.g., colleges, universities, industry, state and federal agencies, and private profit and non-profit organizations) and geographic locations; (e) the need to maintain a balanced composition of reviewers with regard to minority and female representation and an equitable age distribution; and (f) the need to include reviewers who can judge the effective usefulness of each application to producers and the general public.

When each peer review panel has completed its deliberations, the responsible program staff of the FINI grants program will recommend that the project: (a) be approved for support from currently available funds or (b) be declined due to insufficient funds or unfavorable review.

FINI grants program reserves the right to negotiate with the PD/PI and/or with the submitting organization or institution regarding project revisions (e.g., reductions in the scope of work, funding level, period, or method of support) prior to recommending any project for funding.

EVALUATION CRITERIA

We will use the following evaluation criteria for FPPs, FPs, and FLSPs, competing within each category/project type and not across categories, listed in descending order of importance, to review applications submitted in response to this RFA:

1. How well the proposed project advances the primary goal of the FINI grants program which is to test and evaluate projects to increase the purchase of fruits and vegetables (as defined in Subpart VIII (E) of this document) by low-income consumers participating in SNAP by providing incentives at the point of purchase, using effective and efficient benefit redemption technologies.

All FINI projects must (1) have the support of the State SNAP agency, responsible for the administration of SNAP; (2) aim to increase the purchase of fruits and vegetables by low-income consumers participating in SNAP by providing incentives at the point of purchase; (3) operate through authorized SNAP retailers, and in compliance with all relevant SNAP regulations and operating requirements; (4) agree to participate in the FINI comprehensive program evaluation; (5) ensure that the same terms and conditions apply to purchases made by individuals with SNAP benefits and with incentives provided under the FINI grants program as apply to purchases made by individuals who are not members of households receiving benefits as provided in 7 C.F.R. 278.2(b); and (6) include effective and efficient technologies for benefit redemption systems that may be replicated in other States and communities.

Note: Because the statutory language of the 2014 Farm Bill requires FINI grantees to provide incentives specifically to SNAP clients, the equal treatment provision of 7 CFR 278.2(b) does not apply to FINI grantees for the purpose of providing incentives under the FINI grants.

2. How well the project aligns with and advances FINI grants program priorities, which are to:
 - Maximize the share of funds used for direct incentives to participants;
 - Test innovative or promising strategies that would contribute to our understanding of how best to increase the purchase of fruits and vegetables by SNAP participants, to inform future efforts;
 - Develop innovative or improved benefit redemption systems that could be replicated or scaled;
 - Use direct-to-consumer sales marketing;
 - Demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers (for FPs and FLSPs only);
 - Provide locally or regionally produced fruits and vegetables, especially those culturally appropriate for the target audience; and/or
 - Operate in underserved communities, particularly Promise Zones and StrikeForce Communities.

Identified priorities are factors that will be given additional weight in the evaluation of proposals. In instances where proposals are found to be equally meritorious with the application purpose and priorities, based on peer review, selection for funding will be weighed in favor of applicants meeting the FINI grants program priorities.

3. The significance of the low-income food security issues that will be addressed by the proposed project, and an informative description of the community, its characteristics, assets, and needs;
4. The appropriateness of the goals, objectives, and outcomes of the project and how these goals will be achieved throughout the project period;

5. The relevance of the experience of the organizations that are involved in the proposed project, including the applicant entity, and the type and extent of support that other organizations will be providing, or the extent to which these organizations demonstrate the capacity to contribute to the overall grant program. The applicant organization demonstrates a history of, commitment to, and/or direct involvement in food security or nutrition incentive projects in low-income communities or in communities with low-income groups, as well as success in actively engaging low-income participants. Benefits of the program will accrue primarily to the low income population. The qualifications of staff involved with the proposed project and/or organizational leadership reflects the expertise necessary to carry out the proposed activities or similar types of activities. Experience in and connections with the community and a demonstrated dedication to serving low income residents will be considered as important as academic or professional credentials in this regard. Professional salaries are in balance with compensation given to low-income residents for their participation in the initiative;
6. The strength of the proposed project's plans and capacity to undertake a self-assessment, collect the minimum core data set (for FPs and FLSPs only) with accuracy and validity, cooperate with and participate in an independent evaluation, share project results in an "exemplary practices" format;
7. Evidence is provided to demonstrate that the project is likely to become self-sustaining, e.g., a market analysis or the outlines of a business plan. Projects should identify actual or potential funding sources for continuation of the project after federal funding has ended; and
8. The timeline and budget for accomplishing project goals, objectives, and outcomes is realistic and achievable.

Food Insecurity Nutrition Incentive (FINI) Grant Program

2016 Request for Applications (RFA)

APPLICATION DEADLINE: December 16, 2015

ELIGIBILITY: See Part III, A of RFA



United States
Department of
Agriculture

National Institute
of Food and
Agriculture

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE; U.S. DEPARTMENT OF AGRICULTURE

Food Insecurity Nutrition Incentive (FINI) Grant Program

INITIAL ANNOUNCEMENT

CATALOG OF FEDERAL DOMESTIC ASSISTANCE: This program is listed in the Catalog of Federal Domestic Assistance under **10.331**.

DATES: Applications must be received by **5:00 p.m. Eastern Time on December 16, 2015**. Applications received after this deadline will normally not be considered for funding (see Part IV, C. of this RFA). Comments regarding this request for applications (RFA) are requested within 6 months from the issuance of this notice. Comments received after that date will be considered to the extent practicable.

STAKEHOLDER INPUT: The National Institute of Food and Agriculture (NIFA) seeks your comments about this RFA. We will consider the comments when we develop the next RFA for the program, if applicable, and we'll use them to meet the requirements of section 103(c)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613(c)(2)). Submit written stakeholder comments by the deadline set forth in the DATES portion of this Notice via e-mail to: Policy@nifa.usda.gov. (This e-mail address is intended only for receiving comments regarding this RFA and not requesting information or forms.) In your comments, please state that you are responding to the **Food Insecurity Nutrition Incentive (FINI) Grant Program RFA**.

EXECUTIVE SUMMARY: NIFA requests applications for the **Food Insecurity Nutrition Incentive (FINI) Grant Program** for fiscal year (FY) **2016** to support projects to increase the purchase of fruits and vegetables among low-income consumers participating in the Supplemental Nutrition Assistance Program (SNAP) by providing incentives at the point of purchase. Applications are requested in each of the following three categories: (1) FINI Pilot Projects (awards not to exceed a total of \$100,000 over one year); (2) Multi-year, community-based FINI Projects (awards not to exceed a total of \$500,000 over no more than four years); and (3) Multi-year, FINI Large-Scale Projects (awards of \$500,000 or more over no more than four years). Grantees will be expected to conduct a project assessment and to cooperate with and contribute to an independent evaluation to determine the relative effectiveness of the grant program in achieving the legislative goals of "increasing fruit and vegetable purchases" and "improving the nutrition and health status" of participating households (Food, Conservation, and Energy Act of 2008, § 4405(b)(4)(A)). The appropriated amount available for NIFA to support this program in FY **2016** is approximately **\$16.8 million**. This RFA is being released prior to the passage of an appropriations act for FY 2016. Enactment of additional continuing resolutions or an appropriations act may affect the availability or level of funding for this program.

This notice identifies the objectives for **FINI** projects, the eligibility criteria for projects and applicants, and the application forms and associated instructions needed to apply for a FINI

grant. A webinar reviewing these RFA proposal and match requirements will be held on **October 14th, 2015 at 2:00 p.m. Eastern Time for potential applicants.**

The webinar can be accessed here: <http://nifa-connect.nifa.usda.gov/finip/>

The webinar will be recorded and posted to the FINI webpage, accessible here: <http://nifa.usda.gov/program/food-insecurity-nutrition-incentive-fini-grant-program>

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PART I—FUNDING OPPORTUNITY DESCRIPTION

A. Legislative Authority and Background

The Food Insecurity Nutrition Incentive (FINI) Grants Program is authorized by section 4208 of the Agricultural Act of 2014, which amends section 4405 of the Food, Conservation, and Energy Act of 2008 (“FCEA”) (7 U.S.C. 7517). The authority to administer this program was delegated to the Director of NIFA through the Under Secretary for Research, Education, and Economics (REE). See 79 FR 44101 (July 30, 2014), available at <http://www.gpo.gov/fdsys/pkg/FR-2014-07-30/pdf/2014-17352.pdf>. In FY 2016, it is anticipated that up to \$16,800,000 will be available for grants under this program.

B. Purpose and Priorities

The FINI RFA directly aligns with Strategic Goal 4.2 of the USDA Strategic Plan, which is to Promote Healthy Diet and Physical Activity Behaviors.

The FINI RFA also aligns with the USDA Research, Education, and Economics (REE) Action Plan and specifically addresses Goal 4, Nutrition and Childhood Obesity by strengthening established strategic partnerships and strengthening implementation practices to encourage healthy eating and physical activity at the individual and community levels, focusing on high-risk groups and also advances

The FINI RFA specifically addresses NIFA’s “Strategic Goal 1 (Science), by combating childhood obesity by ensuring the availability of affordable, nutritious food and providing individuals and families science-based nutritional guidance (Subgoal 1.5).”

The primary goal of the FINI grants program is to fund and evaluate projects intended to “increase the purchase of fruits and vegetables by low-income consumers participating in Supplemental Nutrition Assistance Program (SNAP) by providing incentives at the point of purchase” (FCEA, § 4405(b)(2)(A)(ii)(II)). For FINI grants, NIFA defines “fruits and vegetables” as “any variety of fresh, canned, dried, or frozen whole or cut fruits and vegetables without added sugars, fats, or oils, and salt (i.e. sodium).” The program will test strategies that could contribute to our understanding of how best to increase the purchase of fruits and vegetables by SNAP participants to inform future efforts, and develop effective and efficient benefit redemption technologies.

The Act requires the Secretary to conduct an independent evaluation of funded projects, to measure the impact of projects on: “improving the nutrition and health status of participating households receiving incentives” and “increasing fruit and vegetable purchases in participating households.”

Incentivizing purchases of fruits and vegetables increases their affordability and consumption. For example, USDA recently completed an evaluation of the Healthy Incentives Pilot (HIP), which investigated the impact of making fruits and vegetables more affordable to SNAP participants. Under HIP, SNAP households received 30 cents deposited directly back onto their

Electronic Benefit Transfer (EBT) card to be spent on any SNAP-eligible food or beverage for every SNAP dollar they spent on targeted fruits and vegetables at participating SNAP-authorized retailers including large supermarkets, grocery stores and farmers markets. This pilot operated in Hampden County MA between November 2011 and December 2012. A rigorous evaluation showed that HIP significantly increased the consumption of targeted fruits and vegetables and this increased consumption was on the order of about one quarter of a cup per day. The final evaluation report is available online at <http://www.fns.usda.gov/healthy-incentives-pilot-final-evaluation-report>.

Grantees that receive both FINI and SNAP-Ed funds:

- While SNAP-Ed providers are encouraged to form partnerships and collaborations in order to leverage resources, SNAP-Ed funds may not be used to provide actual cash or other financial incentives.
- SNAP-Ed funds can be used for policy, systems and environmental change interventions, such as working with retailers on fruit and vegetable product placement, and social marketing in addition to educational efforts at venues such as Farmers Markets, Senior Centers, Child Care locations etc.

All FINI projects must (1) have the support of the State agency responsible for the administration of SNAP; (2) increase the purchase of fruits and vegetables by low-income consumers participating in SNAP by providing incentives at the point of purchase; (3) operate through authorized SNAP retailers, and in compliance with all relevant SNAP regulations and operating requirements; (4) agree to participate in the FINI comprehensive program evaluation; (5) ensure that the same terms and conditions apply to purchases made by individuals with SNAP benefits and with incentives under the FINI grants program as apply to purchases made by individuals who are not members of households receiving benefits as provided in 7 CFR. 278.2(b); and (6) include effective and efficient technologies for benefit redemption systems that may be replicated in other States and communities.

The term “incentive” means any financial or non-financial inducements that would increase the purchase and consumption of eligible fruits and vegetables by SNAP clients.

- Examples of allowable financial incentives include, but are not limited to, vouchers redeemable for eligible fruits and vegetables; other SNAP-eligible items received for having purchased fruits and vegetables; and direct point-of-sale discounts on eligible fruits and vegetables.
- Examples of allowable non-financial incentives include, but are not limited to, giveaways of eligible fruits and vegetables; and nutrition education.
- Examples of unallowable incentives include, but are not limited to, giveaways of alcohol, tobacco, firearms, and lottery tickets.

Incentives that are not allowed may not be paid for with either Federal or matching funds. In addition, the cost of incentives must be allowable under the applicable cost principles in 2 CFR part 200, Subpart E.

Priority will be given to grant proposals with incentives that are most likely to directly and efficiently increase the purchase and consumption of eligible fruits and vegetables by SNAP clients. Any grant proposal that includes non-financial incentives will be subject to additional scrutiny prior to approval, and would need to explain clearly how it contributes to the overall objectives of this program. In general, USDA expects non-financial incentives, if used, to be supplemental to a strong financial-based incentive.

Note: Because the statutory language of the 2014 Farm Bill requires FINI grantees to provide incentives specifically to SNAP clients, the equal treatment provision of 7 CFR 278.2(b) does not apply to FINI grantees for the purpose of providing incentives under the FINI grants.

In reviewing applications submitted in response to this RFA, and depending on the type of FINI project (as described in further detail in Part I, C.1, C.2, and C.3), NIFA will give priority to projects that:

- Maximize the share of funds used for direct incentives to participants;
- Test innovative or promising strategies that would contribute to our understanding of how best to increase the purchase of fruits and vegetables by SNAP participants, that would inform future efforts;
- Develop innovative or improved benefit redemption systems that could be replicated or scaled;
- Use direct-to-consumer sales marketing;
- Demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers;
- Provide locally or regionally produced fruits and vegetables (as defined in Subpart VIII (E) of this document), especially culturally appropriate fruits and vegetables for the target audience; and
- Are located in underserved communities, particularly Promise Zones and StrikeForce communities (see Part VIII, E for more information).

FINI projects present the opportunity to bring together stakeholders from the distinct parts of the food system and to foster understanding of how they might improve the nutrition and health status of participating households receiving incentives to purchase fruits and vegetables. FINI projects are also intended to address the development of effective and efficient technologies for benefit redemption that are replicable by others.

NIFA is soliciting applications for the FINI under the following areas:

C. Program Area Description

NIFA is soliciting applications for three (3) types of grants: (1) FINI Pilot Projects (FPP); (2) FINI Projects (FP); and (3) FINI Large Scale Projects (FLSP).

1. FINI Pilot Projects (FPP)

Funding Level: Awards not to exceed \$100,000.

Period of Performance: Project period is not to exceed one year.

Program Code: FPP

FINI Pilot Projects (FPP) support the development of projects with an infusion of Federal dollars to pilot innovative strategies to increase the purchase of fruits and vegetables (as defined in Subpart VIII (E) of this document) by low-income consumers participating in SNAP by providing incentives at the point of purchase. FPPs must have the support of the State SNAP agency, operate through authorized SNAP retailers, and comply with all relevant SNAP regulations and operating requirements. FPPs are aimed at new entrants seeking funding for a project in the early stages of incentive program development. The project should be designed to create community-based food incentive projects with objectives, activities, and outcomes that are in alignment with the FINI grants program's primary goals. Preference will be given to pilot projects that include one or more of the following:

- (i) Maximize the share of funds used for direct incentives to participants;
- (ii) Test innovative or promising strategies that would contribute to our understanding of how best to increase the purchase of fruits and vegetables by SNAP participants, to inform future efforts;
- (iii) Develop innovative or improved benefit redemption systems that could be replicated or scaled;
- (iv) Use direct-to-consumer sales marketing;
- (v) Provide locally or regionally produced fruits and vegetables, especially culturally appropriate fruits and vegetables for the target audience; and/or
- (iv) Are located in underserved communities, particularly Promise Zones and StrikeForce communities.

Examples of FPPs include, but are not limited to, innovative strategies working at point of purchase with SNAP authorized retailers, including food stores, market stands, farmers' markets, community supported agriculture programs (CSAs), marketing and consumer cooperatives, and other SNAP authorized retailers

Project Self-Evaluation. All projects must involve SNAP participants. All FPPs must submit a project proposal that includes a method of evaluating the success of the program in developing a

viable project. Because FINI Pilot Projects are in the earliest stages of development and would not offer a fair test of effectiveness, they will only be required to submit limited information and data for the comprehensive program evaluation that will inform the Department of potential new strategies and promising new programs to consider in future funding cycles. FPP grantees will be required to provide their self-assessment data to the independent evaluation contractor. Project assessments must follow USDA guidelines to ensure an appropriate level of comparability of methods, outcomes, and measures.

2. FINI Projects (FP)

Funding Level: Awards not to exceed \$500,000.

Period of Performance: Project period is not to exceed four (4) years

Program Code: FIP

FINI Projects (FP) support the development and evaluation of projects to increase the purchase of fruits and vegetables (as defined in Subpart VIII (E) of this document) by low-income consumers participating in SNAP by providing incentives at the point of purchase. The projects will test strategies that could increase the purchase of fruits and vegetables by SNAP participants to inform future efforts, and develop effective and efficient benefit redemption technologies.

FPs should be designed to create or support local community-based food projects with objectives, activities, and outcomes that are in alignment with the FINI grants program's primary goals. FPs are aimed at mid-sized groups developing incentive programs at the local or State level; organizations in this category are typically not new to implementing such programs, although projects are required to expand the breadth, scope or reach of these programs, rather than supplant current program resources. FPs are not in the pilot stages of development and should have established relationships with necessary partners and collaborators. FPs must have the support of the State SNAP agency, operate through authorized SNAP retailers, and comply with all relevant SNAP regulations and operating requirements. Preference will be given to projects that include one or more of the following:

- (i) Maximize the share of funds used for direct incentives to participants;
- (ii) Test innovative or promising strategies that would contribute to our understanding of how best to increase the purchase of fruits and vegetables by SNAP participants, to inform future efforts;
- (iii) Develop innovative or improved benefit redemption systems that could be replicated or scaled;
- (iv) Use direct-to-consumer sales marketing;
- (v) Demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers;

- (vi) Provide locally or regionally produced fruits and vegetables, especially culturally appropriate fruits and vegetables for the target audience; and/or
- (vii) Are located in underserved communities, particularly Promise Zones and StrikeForce communities.

Examples of FPs include, but are not limited to, innovative strategies working at point of purchase with SNAP authorized retailers, including food stores, market stands, farmers' markets, CSAs, marketing and consumer cooperatives, and other SNAP authorized retailers.

Project Self-Evaluation. All FPs must involve SNAP participants and include an evaluation of whether the project met its goals and objectives. Project evaluations must follow USDA guidelines to ensure an appropriate level of comparability of methods, outcomes, and measures. All FPs will also be required to cooperate with and contribute to an independent evaluation contractor conducting the comprehensive program evaluation.

3. FINI Large Scale Projects (FLSP)

Funding Level: Awards of \$500,000 or greater

Period of Performance: Project period is not to exceed four (4) years

Program Code: FLSP

The primary purpose of the FINI Large Scale Projects (FLSP) is to develop and evaluate projects to increase the purchase of fruits and vegetables (as defined in subpart VIII (E) of this document) by low-income consumers participating in SNAP by providing incentives at the point of purchase, using effective and efficient benefit redemption technologies. The projects will test strategies that could contribute to our understanding of how best to increase the purchase of fruits and vegetables by SNAP participants to inform future efforts.

FLSP should be designed to create or support multi-county, State-wide and regional incentive programs. FLSP should be coordinated food projects with objectives, activities, and outcomes that align with the FINI grants program's primary goals. Projects must have the support of the State SNAP agency, operate through authorized SNAP retailers, and comply with all relevant SNAP regulations and operating requirements. Projects are required to expand the breadth, scope or reach of these programs, rather than supplant current program resources. Preference will be given to projects that include one or more of the following:

- (i) Maximize the share of funds used for direct incentives to participants;
- (ii) Test innovative or promising strategies that would contribute to our understanding of how best to increase the purchase of fruits and vegetables by SNAP participants, to inform future efforts;
- (iii) Develop innovative or improved benefit redemption systems that could be replicated or scaled;

- (iv) Use direct-to-consumer sales marketing;
- (v) Demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers;
- (vi) Provide locally or regionally produced fruits and vegetables, especially culturally appropriate fruits and vegetables for the target audience; and/or
- (vii) Are located in underserved communities, particularly Promise Zones and StrikeForce communities.

FINI Large Scale Projects include, but are not limited to, innovative strategies working at point of purchase with SNAP authorized retailers, including food stores, market stands, farmers' markets, CSAs, marketing and consumer cooperatives, and other SNAP authorized retailers.

Project Self-Evaluation. All projects must involve SNAP participants and include an evaluation of whether the project met its goals and objectives. Project evaluations must follow USDA guidelines to ensure an appropriate level of comparability of methods, outcomes, and measures. As discussed below, a higher level of rigor will be expected for the FSLP evaluations. All FLSPs will also be required to cooperate with and contribute to an independent evaluation contractor conducting the comprehensive program evaluation.

PART II—AWARD INFORMATION

A. Available Funding

The amount available for NIFA support of this program in FY 2016 is approximately \$16.8 million. The funds will be awarded through a grant. There is no commitment by USDA to fund any particular application or to make a specific number of awards.

Awards issued as a result of this RFA will have designated the Automated Standard Applications for Payment (ASAP) system, operated by the Department of Treasury's Bureau of the Fiscal Service, as the payment system for funds. For more information see <http://fms.treas.gov/index1.html>.

B. Types of Applications

In FY 2016, you may submit applications to the FINI Program:

New application. This is a project application that has not been previously submitted to the FINI Program. We will review all new applications competitively using the selection process and evaluation criteria described in Part V—Application Review Requirements.

Resubmitted application. This is an application that had previously been submitted to the FINI Program but not funded. Project Directors (PDs) must respond to the previous review panel summary (see Response to Previous Review, part IV). Resubmitted applications must be received by the relevant due dates, will be evaluated in competition with other pending applications in appropriate area to which they are assigned, and will be reviewed according to the same evaluation criteria as new applications.

C. Project Types

Applications will be accepted for three (3) project types: (1) FINI Pilot Projects; (2) FINI Projects; and (3) FINI Large-Scale Projects. The FINI grants program will only accept one application across the three project types per project team under this RFA.

1. FINI Pilot Projects (FPP)

FPPs are aimed at new entrants seeking funding for a project in the early stages of incentive program development. Applicants should request a budget commensurate with the proposed project. No single FINI Pilot project (FPP) award shall exceed \$100,000 for the total project period. The maximum FINI Pilot Project award period is one year. Applications that exceed the budgetary guidelines will not be reviewed. All FPP awards will be made on the merit of the proposed project, with budgets considered only after the merits of the project have been determined. NIFA reserves the right to negotiate final budgets with successful applicants.

2. FINI Projects (FP)

FINI Projects are aimed at mid-sized groups developing incentive programs at the local or State level. Applicants should request a budget and project period commensurate with the proposed project. FP proposals should include a budget of no more than \$500,000 for a project period not to exceed four years. Proposal budgets may be less than \$500,000 and/or a proposed project period of less than four years. Applications that exceed budgetary guidelines will not be reviewed.

All FINI awards will be made based on the merit of the proposed project with budgets considered only after the merits of the project have been determined. NIFA reserves the right to negotiate final budgets with successful applicants.

3. FINI Large Scale Projects (FLSP)

FLSPs are aimed at groups developing multi-county, State, and regional incentive programs with the largest target audience of all FINI projects. Applicants should request a budget and project period commensurate with the proposed project. FLSP proposals should include a budget of \$500,000 or more for a project period not to exceed four years. Applicants may submit a proposed project period of less than four years. All FINI awards will be made based on the merit of the proposed project with budgets considered only after the merits of the project have been determined. NIFA reserves the right to negotiate final budgets with successful applicants.

PART III—ELIGIBILITY INFORMATION

A. Eligible Applicants

Applications may only be submitted by government agencies and non-profit organizations. Award recipients may subcontract to organizations not eligible to apply provided such organizations are necessary for the conduct of the project. Failure to meet an eligibility criterion by the time of application deadline may result in the application being excluded from consideration or, even though an application may be reviewed, will preclude NIFA from making an award.

1. FPP, FP, & FLSP Eligible Entity

Eligibility to receive this grant is limited to government agencies and non-profit organizations (FCEA, § 4405(b)(2)(A)). Eligible government agencies and non-profit organizations may include: an emergency feeding organization; an agricultural cooperative; a producer network or association; a community health organization; a public benefit corporation; an economic development corporation; a farmers' market; a community-supported agriculture program; a buying club; a SNAP-authorized retailer; and a State, local, or tribal agency. All applicants must demonstrate in their application that they are a government agency or non-profit organization.

To be eligible to receive a FPP, FP, or FLSP grant, applicants must propose projects that: (1) have the support of the State SNAP agency; (2) would increase the purchase of fruits and vegetables by low-income consumers participating in SNAP by providing incentives at the point of purchase; (3) operate through authorized SNAP retailers, and comply with all relevant SNAP regulations and operating requirements; (4) agree to participate in the FINI comprehensive program evaluation; (5) ensure that the same terms and conditions apply to purchases made by individuals with SNAP benefits and with incentives under the FINI grants program as apply to purchases made by individuals who are not members of households receiving benefits as provided in 7 C.F.R. 278.2(b); and (6) include effective and efficient technologies for benefit redemption systems that may be replicated in other States and communities.

Note: Because the statutory language of the 2014 Farm Bill requires FINI grantees to provide incentives specifically to SNAP clients, the equal treatment provision of 7 CFR 278.2(b) does not apply to FINI grantees for the purpose of providing incentives under the FINI grants.

In addition, applicants must meet the following requirements to receive a FPP, FP, or FLSP grant: (1) have experience in (i) efforts to reduce food insecurity in the community, including food distribution, improving access to services, or coordinating services and programs; or (ii) experience with the SNAP program; (2) demonstrate competency to implement a project, provide fiscal accountability, collect data, and prepare reports and other necessary documentation; (3) secure the commitment of the State SNAP agency to cooperate with the project; and (4) possess a demonstrated willingness to share information with researchers, evaluators (including the independent evaluator for the program), practitioners, and other interested parties, including a plan for dissemination of results to stakeholders.

Projects are encouraged to provide employees with important job skills. Additionally, applicants are encouraged to have experience the following areas: (i) community food work, particularly concerning small and medium-sized farms, including the provision of food to people in low-income communities and the development of new markets in low-income communities for agricultural producers; and (ii) job training and business development activities for food-related activities in low-income communities.

2. Partners and Collaborators

Applicants for FPP, FP, and FLSP awards are encouraged to seek and create partnerships with public or private, non-profit or for-profit entities, including links with academic institutions (including minority-serving colleges and universities) and/or other appropriate professionals; community-based organizations; local government entities; Promise Zone lead applicant/organization or implementation partners; and StrikeForce area coordinators and/or partnering entities for the purposes of providing additional resources and strengthening under-resourced communities. *Only the applicant must meet the requirements specified above for grant eligibility.* Project partners and collaborators need not meet the eligibility requirements. When planning collaborations, see Part III, B. Award recipients may subcontract to organizations not eligible to apply provided such organizations are necessary for the successful completion of the project. See Part IV, D., Funding Restrictions.

Fiscal Agent:

If an institution/organization cannot accept Federal funds directly, a letter must be included in the application stating that in the event the application results in an award, the award funds must be administered through a fiscal agent organization on their behalf. This agent must be identified in the letter from the applicant and the letter must be countersigned by an authorized representative of the fiscal agent organization. The letter should include the fiscal agent's point of contact, address, telephone number, fax number and e-mail address. This letter is to be included as an attachment to Field 12, Other Attachments (Part IV.B.3.c.) of the application. In the event an application is recommended for funding, NIFA will request that both the applicant institution/organization and the fiscal agent organization submit complete management information (see Part V, D.). Include documents showing the organizations non-profit status here.

B. Cost Sharing or Matching

FPP, FP, and FLSP applicants **MUST** provide matching contributions on a dollar-for-dollar basis for all Federal funds awarded. Match must be documented for all project years at the time the application is submitted. FPP, FP, and FLSP grantees may meet the match requirement through cash and/or in-kind contributions, including third-party in-kind contributions fairly evaluated, including facilities, equipment, or services.

The non-Federal share of the funding may come from State government, local government, or private sources. Federal money cannot be used to match. Examples of qualifying matching contributions may include direct costs such as: rent for office space used exclusively for the

funded project; duplication or postage costs; and staff time from an entity other than the applicant for job training or nutrition education.

Note that if an applicant partners with a for-profit entity, the non-Federal share that is required to be provided by the applicant may not include the services of an employee of that for-profit entity, including salaries or expenses covered by that employer. (FCEA, § 4405(b)(1)(c)(ii)).

PART IV—APPLICATION AND SUBMISSION INFORMATION

A. Electronic Application Package

Only electronic applications may be submitted via Grants.gov to NIFA in response to this RFA. We urge you to submit early to the Grants.gov system. For an overview of the Grants.gov application process see <http://www.grants.gov/web/grants/applicants/grant-application-process.html>.

New and Current Users of Grants.gov

Prior to preparing an application, we recommend that the Project Director/Principal Investigator (PD/PI) first contact an Authorized Representative (AR, also referred to as Authorized Organizational Representative or AOR) to determine if the organization is prepared to submit electronic applications through Grants.gov. If not (e.g., the institution/organization is new to the electronic grant application process through Grants.gov), then the one-time registration process must be completed PRIOR to submitting an application. It can take as long as 2 weeks to complete the registration process so it is critical to begin as soon as possible. In such situations, the AR should go to “**Register**” in the top right corner of the Grants.gov web page (or go to <http://www.grants.gov/web/grants/register.html>) for information on registering the institution/organization with Grants.gov. Part II.1. of the NIFA Grants.gov Application Guide contains detailed information regarding the registration process. Refer to item 2. below to locate the “NIFA Grants.gov Application Guide”.

Steps to Obtain Application Package Materials

To receive application materials:

1. You must download and install a version of Adobe Reader compatible with Grants.gov to access, complete, and submit applications. For basic system requirements and download instructions, see <http://www.grants.gov/web/grants/support/technical-support/software/adobe-reader-compatibility.html>. Grants.gov has a test package that will help you determine whether your current version of Adobe Reader is compatible.
2. To obtain the application package from Grants.gov, go to <http://www.grants.gov/web/grants/applicants/apply-for-grants.html>. Under Step 1 click on “Download a Grant Application Package,” and enter the funding opportunity number

Funding Opportunity Number: USDA-NIFA-FINI-005395

in the appropriate box and click “Download Package.” From the search results, click “Download” to access the application package.

Contained within the application package is the “NIFA Grants.gov Application Guide.” This guide contains an introduction and general Grants.gov instructions, information

about how to use a Grant Application Package in Grants.gov, and instructions on how to complete the application forms.

If you require assistance to access the application package (e.g., downloading or navigating Adobe forms) **or submitting the application**, refer to resources available on the Grants.gov website (<http://www.grants.gov/web/grants/applicants/applicant-resources.html>). Grants.gov assistance is also available at:

Grants.gov customer support

800-518-4726 Toll-Free or 606-545-5035

Business Hours: 24 hours a day, 7 days a week. Closed on [federal holidays](#).

Email: support@grants.gov

Grants.gov iPortal (see <https://grants-portal.psc.gov/Welcome.aspx?pt=Grants>):

Top 10 requested help topics (FAQs), Searchable knowledge base, self-service ticketing and ticket status, and live web chat (available 7 a.m. - 9 p.m. ET). Get help now!

Have the following information available when contacting Grants.gov:

- Funding Opportunity Number (FON)
- Name of agency you are applying to
- Specific area of concern

B. Content and Form of Application Submission

You should prepare electronic applications following Parts V and VI of the NIFA Grants.gov Application Guide. This guide is part of the corresponding application package (see Section A. of this Part). The following is **additional information** needed to prepare an application in response to this RFA. **If there is discrepancy between the two documents, the information contained in this RFA is overriding.**

Note the attachment requirements (e.g., PDF) in Part III section 3. of the guide. ANY PROPOSALS THAT ARE NON-COMPLIANT WITH THE REQUIREMENTS (e.g., content format, PDF file format, file name restrictions, and no password protected files) WILL BE AT RISK OF BEING EXCLUDED FROM NIFA REVIEW. Grants.gov does not check for NIFA required attachments or that attachments are in PDF format; see Part III section 6.1 of the guide for how to check the manifest of submitted files. Partial applications will be excluded from NIFA review. We will accept subsequent submissions of an application until close of business on the closing date in the RFA (see Part V, 2.1 of the NIFA Grants.gov Application Guide for further information).

For any questions related to the preparation of an application, review the NIFA Grants.gov Application Guide and the applicable RFA. If assistance is still needed for preparing application forms content, contact:

- Email: electronic@nifa.usda.gov
- Phone: 202-401-5048
- Business hours: Monday through Friday, 7 a.m. – 5 p.m. ET, excluding federal holidays.

1. SF 424 R&R Cover Sheet

Information related to the questions on this form is dealt with in detail in Part V, 2. of the NIFA Grants.gov Application Guide.

2. SF 424 R&R Project/Performance Site Location(s)

Information related to the questions on this form is dealt with in detail in Part V, 3. of the NIFA Grants.gov Application Guide.

3. R&R Other Project Information Form

Information related to the questions on this form is dealt with in detail in Part V, 4. of the NIFA Grants.gov Application Guide.

a. Field 7. Project Summary/Abstract. The summary should also include the relevance of the project to the goals of **FINI grants program**. See Part V. 4.7 of NIFA Grants.gov Application Guide for further instructions and a link to a suggested template.

b. Field 8. Project Narrative.

NOTE: The Project Narrative shall not exceed **10** pages of written text regardless of whether it is single- or double-spaced and up to **5** additional pages for figures and tables. We have established this maximum (15 pages) to ensure fair and equitable competition. The Project Narrative must include all of the following:

1. FINI Pilot Projects, FINI Projects, and FINI Large Scale Projects

The Project Narrative for FINI Pilot Projects (FPPs), FINI Projects (FPs), and FINI Large Scale Projects (FLSPs) must include the headings below in bold followed by the response for each of the points noted below.

(a) The Community to be Involved in the Project and the Needs to be Addressed. Identify and succinctly describe the critical elements and needs of the local food economy or food system, including demographics, income, and geographic characteristics of the area or community to be served and how the community might benefit from an incentive project. Beyond a recitation of statistics, applications should describe local capabilities and assets, such as those identified in a community food assessment, and involvement of low-income communities in the context of project activities and operations.

Most relevant is an explanation of why the applicant and its partners selected the activities proposed in the application. Note the main targets or beneficiaries of the project and the community needs and opportunities being addressed. The needs addressed should directly relate to project goals and objectives described below. It is recommended that this section be no more than one and one-half page.

(b) The Organizations and Communities Involved in the Project. List the organizations and communities to be involved in carrying out the proposed project. Include a description of the relevant experience of each community group or organization, including the applicant

organization that will be involved, and any related project history. Proposals should demonstrate community linkages and coalitions as appropriate. The qualifications of staff involved with the proposed project and/or organizational leadership should reflect the expertise necessary to carry out the proposed project activities or similar types of activities. Specify the degree to which paid and volunteer staff will be utilized. Experience in and connections with the community will be considered as important as academic or professional credentials in this regard.

To the extent practicable ensure that low-income residents are involved in planning; in particular, describe how the communities being served – particularly the targeted residents and organizations have been or will be involved in planning the project and will be engaged in its implementation and evaluation process. Please reference planning activities, assessments, meetings, or other activities that demonstrate community input into key decision-making.

Letters from the key organizations involved in the project, acknowledging their support and contributions, should be provided. A limited number of additional support letters – such as those from farmers or partner organizations, where appropriate, are encouraged to provide evidence of broad community involvement in both planning and future decision-making. All support letters should be attached in Field 12, Other Attachments (See Part IV, B. 3. c., below, Key Organization Support).

(c) Project Goals and Intended Outcomes. List the goals and intended outcomes of the project, and how they contribute to the primary goal of the FINI grants program. Outcomes should describe specific changes or results that will occur as a consequence of the project and that will constitute “success” for the initiative, including a general description of the range of fruits and vegetables that would be incentivized (such as, but not limited to, fresh, canned, or dried forms). Outcomes should be specific, measurable, achievable, realistic, and timely, describe what will be accomplished, and who and how many people, e.g., residents, participants, will benefit. It is recommended that this section be no more than two pages.

(d) Activities to Achieve the Goals. Discuss how the goals and intended outcomes will be achieved and include how the proposed activities comply with the rules and regulations of SNAP. Discuss how the proposed project outcomes will be realized by providing a systematic description of how the most important steps or milestones will be accomplished. Particular attention should be given to existing technical capabilities and any technical solutions that must be developed for goals, objectives, and outcomes to be achieved. In addition to these descriptions, it is recommended that a table of up to three pages be provided with implementation details for these activities, including: (a) specific steps and achievements in planning, implementing, and evaluating; (b) timetables for milestones, and, as relevant; (c) expected numbers of participants involved in each step of the process. Describe how the proposed project will develop effective and efficient technologies for benefit redemption systems that may be replicated and scaled in other States and communities in the future.

(e) Relationship to Program Objectives. Discuss how the project and its proposed outcomes will address the objectives of the FINI grants program as described in Part I., B. Discuss the specific changes that will result among participants or in the communities served that address

these FINI grants program priorities. It is recommended that this section be no more than one page.

(f) Evaluation. Evaluation is a critical purpose of the FINI grant program. By testing and evaluating various methods and technologies to increase the fruit and vegetable purchases and improving the nutrition and health status of participating households through the FINI grant program, NIFA seeks to determine best practices, and the relative effectiveness of various incentive programs as well as benefit redemption methods. The evaluation requirements of the FINI grant program, therefore, include both process (developing and monitoring indicators of progress towards objectives) and outcomes. Recognizing that FINI projects are likely to vary substantially in scale and maturity, and that grantees are likely to vary considerably in evaluation capacity and expertise, the evaluation requirements differ for each of the three grant categories. The FINI grant program requires a project self-evaluation by each grantee and participation in the program evaluation conducted by the independent evaluator.

All FINI Pilot Projects (FPP) must include a process analysis, a self-assessment of their success in developing a viable project. FPPs will document the process, challenges, and success of implementation and operations. Because these projects are in the earliest stages of development that do not offer a fair test of their potential effectiveness, limited information will be reported to the independent evaluator. FPPs must provide preliminary results of their self-assessment in the annual report to NIFA and to the independent evaluation contractor.

All FINI Projects (FP) must include a process analysis, a self-assessment of their success in developing and operating a viable project. FPs will document the process, challenges, and success of implementation and operations. The process assessment should contain enough timely information over the course of the project to improve program outcomes. FPs must provide preliminary results of their self-assessment in the annual report to NIFA and to the independent evaluator. In addition, because of their expected scope, FPs will be required to cooperate with the independent evaluator.

All FINI Large-Scale Projects (FLSP) must include (1) a process assessment that documents the process, challenges, and success of implementation and operations and (2) an outcome assessment that documents the project's effectiveness in increasing fruit and vegetable purchases among SNAP participants. The process assessment should contain enough timely information over the course of the project to measure program outcomes. Preliminary results shall be included in the annual report to NIFA and to the independent evaluation contractor. Outcome self-assessments must follow guidelines developed by the independent evaluation contractor in collaboration with grantees to ensure an appropriate level of comparability of methods, outcomes, and measures. In addition, because of their expected scale and maturity, FLSPs will be required to cooperate with the independent evaluator.

Project Type	Project Self-Evaluation	Comprehensive Program Evaluation (by independent evaluator)
FPP	Process evaluation	<ul style="list-style-type: none"> • Required to participate • Participation includes providing self-assessment information to independent evaluator.
FP	Process evaluation	<ul style="list-style-type: none"> • Required to participate • Contribute to minimum core data set • Collaborate with independent evaluator to identify comparison sites
FLSP	Rigorous self-evaluation (process and outcome)	<ul style="list-style-type: none"> • Required to participate • Contribute to minimum core data set • Collaborate with independent evaluator to identify comparison sites

Comprehensive FINI Program Evaluation (by independent evaluator). The independent evaluation is expected to be based on a cluster evaluation model that builds on the collaboration and coordination of individual project assessments and an overall program evaluation. It is expected to consist of four components: a *process analysis* to describe project implementation and support future replication of successful approaches, an *outcome analysis* to assess the effectiveness of each FP and FSLP, a *comparative analysis* to integrate results across sites and approaches, attempting to answer the question of what works best (and when or where), and *technical assistance* to support consistent implementation of evaluation protocols.

USDA has determined that a comparison group design offers the best balance between the statutory requirement to use “rigorous methodologies capable of producing scientifically valid information” while accommodating the limited administrative and evaluation capacities of potential FPs and FSLPs (FPPs have a limited role in the independent evaluation). This quasi-experimental approach uses a comparison site – such as a neighborhood across town or a group of SNAP participants who are not offered the nutrition incentive – as a baseline to assess the effect of offering an incentive. Outcomes for each group (intervention and comparison) are measured before and again sometime after the nutrition incentive is provided. The independent evaluator – working in collaboration with FPs and FSLPs – will identify groups that are as similar as possible to the intervention communities to make the comparison as fair as possible.

All FPs and FSLPs will be required to cooperate with the independent evaluator by:

- Supporting implementation of evaluation requirements (including but not limited to helping the independent evaluation contractor identify appropriate comparison sites or groups and providing the minimum core data set described below);
- Meeting periodically with staff from NIFA, FNS, the independent evaluation contractor, and other FINI grantees to review project plans, evaluation objectives and methods, data collection and reporting requirements, and analysis and reporting of results;

- Facilitating access to or providing documentation of project implementation, operations, costs, and outcomes; and
- Facilitating site visits and interviews with project staff, partners and program participants.

FPs and FLSPs will be required to periodically provide the independent evaluation contractor a minimum core data set to ensure common program tracking and enable meaningful comparisons across all projects. FPs and FLSPs may choose at their option to collect additional information beyond the minimum core data set as part of their self-assessments; the independent evaluation contractor will also collect additional data, including information on consumer knowledge, attitudes, perceptions, and purchase and consumption behaviors. The minimum core data set includes the following:

Site and Project Information

- Management or organizational structure of the program
- Financial instrument used for SNAP and incentive purchases (tokens, scrip, electronic, etc.)
- Retail locations, mobile routes, or other pertinent information to understand how the project improves access to healthy food for underserved, low-income consumers
- Months of operation and operating days and hours
- Whether it is a new SNAP incentive program or the continuation, expansion, or modification of an existing program
- Whether program sites accept other nutrition assistance program benefits
- Whether program sites collaborate with nutrition education programs or offer other experiential nutrition education activities
- Expenses associated with establishment and operations of the program

Incentive Program Information

- Fruit and vegetable products eligible for incentives
- Incentive level (ratio and maximum)
- Incentive delivery mechanism
- Number of SNAP participants (per site/per year)
- Dollar value of SNAP purchases (per site/per year)
- Number of SNAP transactions (per site/per year)
- Dollar value of incentives issued (per site/per year)
- Dollar value of incentives redeemed (per site/per year)
- Average incentive value redeemed per recipient (weekly/monthly/annually)

Proposals should discuss any opportunities and challenges with the evaluation requirements and how they will be addressed. Proposals should also describe any previous process, outcome, and impact evaluation experience with SNAP participants or other related food programs. The proposal should demonstrate the capacity and willingness to comply with the evaluation requirements.

(g) Specific Program and Incentive Information. Additional important information that must be included in each type of proposal:

- Type of SNAP retailers involved (retail stores, farmers markets, mobile markets, CSAs, etc.)
- Number of months and days that the project, if funded, will operate (e.g. a project at a seasonal farmers market that will operate from June 15 through October 15.)
- Trigger for EARNING the incentive (purchasing fruits or vegetables, purchasing specified fruits and/or vegetables, no purchase necessary, etc.)
- Type of trigger for and the amount of the incentive at different types of retailers
- Products eligible to be PURCHASED or RECEIVED at the point of incentive redemption (all SNAP-eligible foods, all fruits and vegetables, only specified fruits and/or vegetables, etc.)
- Incentive level (percentage discount, ratio, or dollar amount and maximum)
- Financial instrument used for incentive delivery (tokens, scrip, electronic, etc.)
- Indicate if the proposal is a new SNAP incentive program or a continuation, expansion, or modification of an existing program
- Indicate if nutrition education or other interventions will be combined with the incentive
- List where the project and sub-grantee projects will operate
- Indicate if any special waivers will be requested and what the waivers will include
- Indicate if there are any identified retailer participants that still need to be authorized for SNAP, include the store/firm names and locations (or provide the page number (s) in the proposal where these are found)
- Indicate if the project anticipates new retailers that are not currently SNAP authorized, where known, include the store/firm names and locations (or provide the page number(s) in the proposal where these are found)
- Provide the approximate number of retailers, and if specific retailer names, locations, and FNS numbers are known, please provide this information
- Indicate if the project anticipates making any technical enhancements to the retailers, EBT, or other systems. Provide a high-level description of any such proposed technical enhancements and page number(s) in the proposal indicating where a detailed description of technical enhancements is found
- Implementation plan for rollout of incentives across the retailer types that includes anticipated start dates and a plan for communicating changes in implementation schedule to USDA's Food and Nutrition Service and the independent evaluation contractor

Proposals must include this detailed information in Section (g) under the heading "Specific Program and Incentive Information" so the information may be easily pulled out and used by the reviewers and the independent evaluator.

(h) Sustainability. Describe which aspects or components of the project will continue beyond the end of the project period. Discuss how an infusion of Federal funds will be sufficient for the proposed project to advance local capacity-building and achieve sustainability. Projects may identify actual or potential funding sources for continuation of the project. Applicants should differentiate between how the basic elements of the project will be continued versus how the low-income community will be changed and its capacity advanced.

Projects should provide evidence, e.g., a market analysis or the outline of a business plan, to demonstrate that it is likely to become successful in meeting FINI grant program goals. Business plan outlines or any other documentation of evidence for sustainability should be no more than five pages and should be included as an appendix. Such evidence should be included as an Other Attachment, Field 12 (see Part IV.B.3.c.).

(i) Non-supplantation. Grants shall be used to supplement, not supplant, non-Federal funds that would otherwise be available for expenditure on incentive program activities. Grant funds must be used to fund new projects, or expand or enhance existing projects. They may not be used to replace State or local funds that would, in the absence of Federal aid, be available or forthcoming for incentive programs.

c. Field 12. Other Attachments. All attachments must be in PDF format.

- **Key Organization Support.** Attach signed letters from the State SNAP agency and any other key organizations involved in the project acknowledging their support, contributions and commitment; title the attachment ‘Key Organization Support’. Provide evidence of broad community involvement in both planning and decision-making. This section is limited to two page letters of support for each key organization.
- **Matching Funds Documentation.** For **FPP, FP, and FLSP** applicants, this grant program requires applicants to match Federal funds awarded on a dollar-for-dollar basis from non-Federal sources as described in Part III, B. Letters signed by the AR from each source of matching funds are required, and should be attached in Field 12; title the attachment ‘Matching Funds’. Recommended contents of the letter are described below in item 6., R&R Budget (Fed/Non-Fed).
- **Appendices to Project Narrative.** Title the attachment as ‘Appendices’ in the document header and save file as ‘Appendices’. *Appendices to the Project Narrative are allowed if they are directly germane to the proposed project. The addition of appendices must not exceed seven (7) pages and should not be used to circumvent the text and/or figures and tables page limitations.*
- **Logic Model.** Title the attachment as ‘Logic Model’ in the document header and save file as ‘LogicModel’. In order to allow for sufficient evaluation of projects as described, it is recommended that applicants set aside between five and ten percent of the total project budget for evaluation purposes. Applicants should seek the help of academic or other experts in evaluation design and implementation, as appropriate and available. A logic model or chart may also be used. It is recommended that this section be no more than one page. http://www.nifa.usda.gov/about/strat_plan_logic_models.html
- **Fiscal Agent Letter.** See Part III A. 2. If it is necessary to include a fiscal agent letter, then title the attachment as ‘Fiscal Agent’ in the document header and save file as ‘FiscalAgent’. Include documents showing the organizations non-profit status here.

4. R&R Senior/Key Person Profile (Expanded)

Information related to the questions on this form is dealt with in detail in Part V, 5. of the NIFA Grants.gov Application Guide. This section of the Guide includes information about the people who require a Senior/Key Person Profile, and details about the Biographical Sketch and the Current and Pending Support, including a link to a suggested template for the Current and Pending Support.

5. R&R Personal Data – As noted in Part V, 6. of the NIFA Grants.gov Application Guide, the submission of this information is voluntary and is not a precondition of award.

6. R&R Budget

Information related to the questions on this form is dealt with in detail in Part V, 7. of the NIFA Grants.gov Application Guide.

NOTE: For each budget prepared, a budget justification is to be attached to justify costs (both Federal and non-Federal) included in that budget.

Matching.

i. Applicant's Contribution. As stated in Part III, B., matching funds are mandatory for FPPs, FPs, and FLSPs. The R&R Budget ("Fed/Non-Fed") form must be utilized. The applicant's matching support should be shown on the budget in the appropriate categories (salary, materials and supplies, equipment, etc.). **A budget justification (Field K. on the Form) must be included in each budget explaining all Federal and non-Federal costs included therein.**

ii. Third-party Contributions. Each third party contributor should be listed separately under Other Direct Costs (Field F. on the Form) and the amount contributed placed in the "Non-Federal (\$)" column. A detailed breakdown of third-party contributions by donor and budget category should be submitted as an attachment as part of the budget justification (Field K. on the Form). See below.

Proposals should include written verification of commitments of matching support (including both cash and in-kind contributions) from third parties. Letters of commitment for third party matching for the 1st, 2nd, 3rd, and 4th years of multi-year projects must be secured prior to the application submittal. Awards will not be issued until all matching has been verified. Written verification means:

- (a) For any third party cash contributions, a separate pledge agreement for each donation, signed by the authorized representatives of the donor organization and the applicant organization, which must include: (1) the name, address, and telephone number of the donor; (2) the name of the applicant organization; (3) the title of the project for which the donation is made; (4) the dollar amount of the cash donation; (5) a statement that the donor will pay the cash contribution during the grant period; and (6) whether the applicant can designate cash as the applicant deems necessary or the cash contribution has been designated to a particular budget item; and
- (b) For any third party in-kind contributions, a separate pledge agreement (letter of commitment) for each contribution, signed by the authorized representatives of the donor organization and the applicant organization, which must include: (1) the name, address, and telephone number of the

donor; (2) the name of the applicant organization; (3) the title of the project for which the donation is made; (4) a good faith estimate of the current fair market value of the third party in-kind contribution; and (5) a statement that the donor will make the contribution during the grant period.

The sources and amount of all matching support from outside the applicant organization should be summarized on a separate page and attached in the SF 424 (R&R) Other Project Information, Field 12 (Title the attachment “Matching Support”). In addition, each source of non-Federal matching funds must be accompanied by written verification of commitment of matching support (i.e., a signed letter from the AR of the source of matching funds; including both cash and in-kind contributions) from third parties. Include each of these signed matching letters, as attachments, in Field 12 of the SF 424 (R&R) Other Project Information form.

Establish the value of applicant contributions in accordance with applicable cost principles. Refer to 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”, for further guidance and other requirements relating to matching and allowable costs.

7. Supplemental Information Form

Information related to the questions on this form is dealt with in detail in Part VI, 1. of the NIFA Grants.gov Application Guide.

a. Field 2. Program to which you are applying.

Enter the program code name: **FINI Pilot Projects**

Enter the program code: **FPP**

Enter the program code name: **FINI Projects**

Enter the program code: **FIP**

Enter the program code name: **FINI Large Scale Projects**

Enter the program code: **FLSP**

Note that accurate entry of the program code is very important for proper and timely processing of an application.

b. Field 8. Conflict of Interest List. See Part VI, 1.8 of the NIFA Grants.gov Application Guide for further instructions and a link to a suggested template.

C. Submission Dates and Times

Prior to electronic submission of the application via Grants.gov, it is strongly recommended that an administrative review be conducted to ensure that an application complies with all application preparation instructions. An application checklist is included in Part VII of the NIFA Grants.gov Application Guide to assist with this review.

Instructions for submitting an application are included in Part IV, Section 1.9 of the NIFA Grants.gov Application Guide.

Applications must be received by Grants.gov by **5:00 p.m. Eastern Time on December 16, 2015**. Applications received after this deadline will not be considered for funding.

If you have trouble submitting an application to Grants.gov, you should FIRST contact the Grants.gov Help Desk to resolve any problems. Keep a record of any such correspondence. See Part IV. A. for Grants.gov contact information.

We send email correspondence to the AR regarding the status of submitted applications. Therefore, applicants are strongly encouraged to provide accurate e-mail addresses, where designated, on the SF-424 R&R Application for Federal Assistance.

If the AR has not received correspondence **from NIFA** regarding a submitted application within 30 days of the established deadline, contact the Agency Contact identified in Part VII of the applicable RFA and request the proposal number assigned to the application. **Failure to do so may result in the application not being considered for funding by the peer review panel. Once the application has been assigned a proposal number, this number should be cited on all future correspondence.**

D. Funding Restrictions

1. Indirect Costs

Applicants may request full indirect costs, subject to statutory limitations.

In order to do so, the applicant must use the current negotiated indirect cost rate established by its cognizant Federal agency (the agency that provides the most funds). If awarded, the applicant will be required to produce a negotiated indirect cost rate agreement from the cognizant agency in order to recover indirect costs. If unable to obtain a negotiated rate from its cognizant agency, the applicant is not permitted indirect cost reimbursement. Rather, the applicant may only be reimbursed for allowable direct costs. Violation of cost accounting principles is not permitted when re-budgeting or charging costs to awards. Rather, costs must be consistently charged as either indirect or direct costs.

If the applicant wants full indirect costs, but does not have a negotiated rate, and NIFA is the cognizant agency, the applicant must calculate an indirect cost rate in order to request indirect costs. Several sample indirect cost rate calculations are provided on NIFA's indirect cost webpage located at: http://nifa.usda.gov/business/indirect_cost_process.html. During the application process, the applicant is not required to complete the entire indirect cost package identified on NIFA's website. Rather, the applicant need only calculate an indirect cost rate to serve as a basis for requesting indirect costs. If awarded, the applicant will be required to submit a complete Indirect Cost Proposal (ICP) package in order to obtain a negotiated rate as explained on NIFA's indirect cost website.

Applicants may request a 10% de minimis indirect cost rate, subject to statutory limitations.

Applicants who cannot obtain a negotiated rate from their cognizant agency, or who do not wish to go through the negotiation process, may request a 10% de minimis rate if eligible. Applicants who have never received a Negotiated Indirect Cost Rate Agreement (NICRA) are eligible to request a 10% de minimis indirect cost rate.

The 10% de minimis rate should be applied to Modified Total Direct Costs (MTDC). MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Violation of cost accounting principles is not permitted when charging costs to awards. Rather, costs must be consistently charged as either indirect or direct costs. If the cognizant agency issues a negotiated rate subsequent to award, the negotiated rate may not be retroactively applied.

2. Subcontract Restriction

The applicant is expected to perform a substantive portion of the project and no more than 50 percent of FPP, FP, and FLSP as determined by budget expenditures, may be subawarded. NIFA will allow applicants to indicate in their proposal if they intend to subcontract more than 50% of the award. This deviation will require NIFA approval. Projects may divide their budget allocations between partners as it fits their work plan. (For additional knowledge or expertise that is not available within the applicant organization, funds for expert consultation may be included in the "All Other Direct Costs" section of the proposed budget.)

3. Multiple Submissions

The FINI grants program will only accept one application across the three project types per project team under this RFA.

4. Funding Period Limitation

The maximum potential funding period (including any awards transferred from another institution or organization) is limited to 4 years in duration. The funding period will commence on the effective date cited in the award instrument. Any such limitation also applies to subcontracts made under awards subject to a funding period limitation.

5. Prohibiting Government-Sponsored Recruitment Activities

Grant funds may not be used for television, radio, or billboard advertisements that are designed to promote SNAP benefits and enrollment. Grant funds may also not be used for recruitment activities that are designed to persuade an individual to apply for SNAP.

E. Other Submission Requirements

You should follow the submission requirements noted in Part IV, section 1.9 in the document entitled “NIFA Grants.gov Application Guide.”

For information about the **status of a submitted application**, see Part III., section 6. of the NIFA Grants.gov Application Guide.

PART V—APPLICATION REVIEW REQUIREMENTS

A. General

We evaluate each application in a two-part process. First, we screen each application to ensure that it meets the administrative requirements as set forth in this RFA. Second, a technical review panel will evaluate applications that meet the administrative requirements.

We select reviewers based upon their training and experience in relevant scientific, extension, or education fields, taking into account the following factors: (a) The level of relevant formal scientific, technical education, or extension experience of the individual, as well as the extent to which an individual is engaged in relevant research, education, or extension activities; (b) the need to include as reviewers experts from various areas of specialization within relevant scientific, education, or extension fields; (c) the need to include as reviewers other experts (e.g., producers, range or forest managers/operators, and consumers) who can assess relevance of the applications to targeted audiences and to program needs; (d) the need to include as reviewers experts from a variety of organizational types (e.g., colleges, universities, industry, state and federal agencies, and private profit and non-profit organizations) and geographic locations; (e) the need to maintain a balanced composition of reviewers with regard to minority and female representation and an equitable age distribution; and (f) the need to include reviewers who can judge the effective usefulness of each application to producers and the general public.

When each peer review panel has completed its deliberations, the responsible program staff of the FINI grants program will recommend that the project: (a) be approved for support from currently available funds or (b) be declined due to insufficient funds or unfavorable review.

FINI grants program reserves the right to negotiate with the PD/PI and/or with the submitting organization or institution regarding project revisions (e.g., reductions in the scope of work, funding level, period, or method of support) prior to recommending any project for funding.

B. Evaluation Criteria

We will use the evaluation criteria below to review applications submitted in response to this RFA:

We will use the following evaluation criteria for FPPs, FPs, and FLSPs, competing within each category/project type and not across categories, listed in descending order of importance, to review applications submitted in response to this RFA:

1. How well the proposed project advances the primary goal of the FINI grants program which is to test and evaluate projects to increase the purchase of fruits and vegetables (as defined in Subpart VIII (E) of this document) by low-income consumers participating in SNAP by providing incentives at the point of purchase, using effective and efficient benefit redemption technologies.

All FINI projects must (1) have the support of the State SNAP agency, responsible for the administration of SNAP; (2) aim to increase the purchase of fruits and vegetables by low-income consumers participating in SNAP by providing incentives at the point of purchase; (3) operate through authorized SNAP retailers, and in compliance with all relevant SNAP regulations and operating requirements; (4) agree to participate in the FINI comprehensive program evaluation; (5) ensure that the same terms and conditions apply to purchases made by individuals with SNAP benefits and with incentives provided under the FINI grants program as apply to purchases made by individuals who are not members of households receiving benefits as provided in 7 C.F.R. 278.2(b); and (6) include effective and efficient technologies for benefit redemption systems that may be replicated in other States and communities.

Note: Because the statutory language of the 2014 Farm Bill requires FINI grantees to provide incentives specifically to SNAP clients, the equal treatment provision of 7 CFR 278.2(b) does not apply to FINI grantees for the purpose of providing incentives under the FINI grants.

2. How well the project aligns with and advances FINI grants program priorities, which are to:
 - Maximize the share of funds used for direct incentives to participants;
 - Test innovative or promising strategies that would contribute to our understanding of how best to increase the purchase of fruits and vegetables by SNAP participants, to inform future efforts;
 - Develop innovative or improved benefit redemption systems that could be replicated or scaled;
 - Use direct-to-consumer sales marketing;
 - Demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers (for FPs and FLSPs only);
 - Provide locally or regionally produced fruits and vegetables, especially those culturally appropriate for the target audience; and/or
 - Operate in underserved communities, particularly Promise Zones and StrikeForce Communities.

Identified priorities are factors that will be given additional weight in the evaluation of proposals. In instances where proposals are found to be equally meritorious with the application purpose and priorities, based on peer review, selection for funding will be weighed in favor of applicants meeting the FINI grants program priorities.

3. The significance of the low-income food security issues that will be addressed by the proposed project, and an informative description of the community, its characteristics, assets, and needs;
4. The appropriateness of the goals, objectives, and outcomes of the project and how these goals will be achieved throughout the project period;

5. The relevance of the experience of the organizations that are involved in the proposed project, including the applicant entity, and the type and extent of support that other organizations will be providing, or the extent to which these organizations demonstrate the capacity to contribute to the overall grant program. The applicant organization demonstrates a history of, commitment to, and/or direct involvement in food security or nutrition incentive projects in low-income communities or in communities with low-income groups, as well as success in actively engaging low-income participants. Benefits of the program will accrue primarily to the low income population. The qualifications of staff involved with the proposed project and/or organizational leadership reflects the expertise necessary to carry out the proposed activities or similar types of activities. Experience in and connections with the community and a demonstrated dedication to serving low income residents will be considered as important as academic or professional credentials in this regard. Professional salaries are in balance with compensation given to low-income residents for their participation in the initiative;
6. The strength of the proposed project's plans and capacity to undertake a self-assessment, collect the minimum core data set (for FPs and FLSPs only) with accuracy and validity, cooperate with and participate in an independent evaluation, share project results in an "exemplary practices" format;
7. Evidence is provided to demonstrate that the project is likely to become self-sustaining, e.g., a market analysis or the outlines of a business plan. Projects should identify actual or potential funding sources for continuation of the project after federal funding has ended; and
8. The timeline and budget for accomplishing project goals, objectives, and outcomes is realistic and achievable.

C. Conflicts of Interest and Confidentiality

During the peer evaluation process, we take extreme care to prevent any actual or perceived conflicts of interest that may impact review or evaluation. See http://www.nifa.usda.gov/business/competitive_peer_review.html for further information about conflicts of interest and confidentiality as related to the peer review process.

D. Organizational Management Information

Specific management information relating to an applicant shall be submitted on a one time basis, with updates on an as needed basis. This requirement is part of the responsibility determination prior to the award of a grant identified under this RFA, if such information has not been provided previously under this or another NIFA program. We will provide you copies of forms recommended for use in fulfilling these requirements as part of the preaward process. Although an applicant may be eligible based on its status as one of these entities, there are factors that may exclude an applicant from receiving federal financial and nonfinancial assistance and benefits

under this program (e.g., debarment or suspension of an individual involved or a determination that an applicant is not responsible based on submitted organizational management information).

E. Application Disposition

An application may be withdrawn at any time before a final funding decision is made regarding the application. Each application that is not selected for funding, including those that are withdrawn, will be retained by FINI grants program for a period of three years.

PART VI—AWARD ADMINISTRATION

A. General

Within the limit of funds available for such purpose, the NIFA awarding official shall make grants to those responsible, eligible applicants whose applications are judged most meritorious under the procedures set forth in this RFA. The date specified by the NIFA awarding official as the effective date of the grant shall be no later than September 30 of the federal fiscal year in which the project is approved for support and funds are appropriated for such purpose, unless otherwise permitted by law. The project need not be initiated on the grant effective date, but as soon thereafter as practical so that project goals may be attained within the funded project period. All funds granted by NIFA under this RFA may be used only for the purpose for which they are granted in accordance with the approved application and budget, regulations, terms and conditions of the award, applicable federal cost principles, USDA assistance regulations, and NIFA General Awards Administration Provisions at 7 CFR part 3430, subparts A through E.

B. Award Notice

The award document will provide pertinent instructions and information including, at a minimum:

- (1) Legal name and address of performing organization or institution to which the director has issued an award under the terms of this request for applications;
- (2) Title of project;
- (3) Name(s) and institution(s) of PDs chosen to direct and control approved activities;
- (4) Identifying award number and the Federal Agency Identification Number assigned by NIFA;
- (5) Project period, specifying the amount of time NIFA intends to support the project without requiring recompetition for funds;
- (6) Total amount of financial assistance approved for the award;
- (7) Legal authority(ies) under which the award is issued;
- (8) Appropriate Catalog of Federal Domestic Assistance (CFDA) number;
- (9) Applicable award terms and conditions (see <http://www.nifa.usda.gov/business/awards/awardterms.html> to view NIFA award terms and conditions);
- (10) Approved budget plan for categorizing allocable project funds to accomplish the stated purpose of the award; and

(11) Other information or provisions deemed necessary by NIFA to carry out its respective awarding activities or to accomplish the purpose of a particular award.

C. Administrative and National Policy Requirements

Several federal statutes and regulations apply to grant applications considered for review and to project grants awarded under this program. These may include, but are not limited to, the ones listed on the NIFA web page - <http://nifa.usda.gov/federal-regulations>.

NIFA Federal Assistance Policy Guide—a compendium of basic NIFA policies and procedures that apply to all NIFA awards, unless there are statutory, regulatory, or award-specific requirements to the contrary is available at <http://nifa.usda.gov/policy-guide>.

D. Expected Program Outputs and Reporting Requirements

The output and reporting requirements are included in the award terms and conditions (see <http://www.nifa.usda.gov/business/awards/awardterms.html> for information about NIFA award terms). If there are any program or award-specific award terms, those, if any, will be identified in the award.

PART VII—AGENCY CONTACTS

Applicants and other interested parties are encouraged to contact:

Programmatic Contacts –

Dr. Jane Clary Loveless; National Program Leader, National Institute of Food and Agriculture, USDA; 1400 Independence Avenue, SW, Mail Stop 2225 Washington, DC 20250-2225; telephone: 202-720-3891; fax: 202-720-9366; e-mail: jclary@nifa.usda.gov.

Dr. Dionne Toombs; Director, Division of Nutrition, National Institute of Food and Agriculture, USDA; 1400 Independence Avenue, SW, Mail Stop 2225 Washington DC 20250-2225; telephone: 202-401-2138; fax: 202-401-4888; email: dtoombs@nifa.usda.gov.

Administrative/Business Contacts –

Susan Bowman; Awards Management Branch Chief; Office of Grants and Financial Management; National Institute of Food and Agriculture, USDA; 1400 Independence Avenue, SW, Mail Stop 2271; Washington, DC 20250-2271; telephone 202-401-4324; fax 202-401-6271; e-mail sbowman@nifa.usda.gov.

Adriene Woodin; Awards Management Branch Chief; Office of Grants and Financial Management; National Institute of Food and Agriculture, USDA; 1400 Independence Avenue, SW, Mail Stop 2271; Washington, DC 20250-2271; telephone 202-401-4320; fax 202-401-6271; e-mail awoodin@nifa.usda.gov.

PART VIII—OTHER INFORMATION

A. Access to Review Information

We will send copies of reviews, not including the identity of reviewers, and a summary of the panel comments to the applicant PD after the review process has been completed.

B. Use of Funds; Changes

1. Delegation of Fiscal Responsibility

Unless the terms and conditions of the award state otherwise, awardees may not in whole or in part delegate or transfer to another person, institution, or organization the responsibility for use or expenditure of award funds.

2. Changes in Project Plans

a. The permissible changes by the awardee, PD(s), or other key project personnel in the approved project shall be limited to changes in methodology, techniques, or other similar aspects of the project to expedite achievement of the project's approved goals. If the awardee or the PD(s) is uncertain as to whether a change complies with this provision, the question must be referred to the Authorized Departmental Officer (ADO) for a final determination. The ADO is the signatory of the award document, not the program contact.

b. The awardee must request, and the ADO must approve in writing, all changes in approved goals or objectives prior to effecting such changes. In no event shall requests be approved for changes that are outside the scope of the original approved project.

c. The awardee must request, and the ADO must approve in writing, all changes in approved project leadership or the replacement or reassignment of other key project personnel, prior to effecting such changes.

d. The awardee must request, and the ADO must approve in writing, all transfers of actual performance of the substantive programmatic work in whole or in part and provisions for payment of funds, whether or not federal funds are involved, prior to instituting such transfers, unless prescribed otherwise in the terms and conditions of the award.

e. The project period may be extended without additional financial support, for such additional period(s) necessary to complete or fulfill the purposes of an approved project, but in no case shall the total project period exceed any applicable statutory limit or expiring appropriation limitation. The terms and conditions of award include information about no-cost extensions of the award and when ADO's prior approval is necessary.

f. Changes in Approved Budget: Unless stated otherwise in the terms and conditions of award, changes in an approved budget must be requested by the awardee and approved in writing by the

ADO prior to instituting such changes, if the revision will involve transfers or expenditures of amounts requiring prior approval as set forth in the applicable Federal cost principles, Departmental regulations, or award.

C. Confidential Aspects of Applications and Awards

When an application results in an award, it becomes a part of the record of NIFA transactions, available to the public upon specific request. Information that the Secretary determines to be of a confidential, privileged, or proprietary nature will be held in confidence to the extent permitted by law. Therefore, any information that the applicant wishes to have considered as confidential, privileged, or proprietary should be clearly marked within the application. The original copy of an application that does not result in an award will be retained by the Agency for a period of three years. Other copies will be destroyed. Such an application will be released only with the consent of the applicant or to the extent required by law. An application may be withdrawn at any time prior to the final action thereon.

D. Regulatory Information

For the reasons set forth in the final Rule related Notice to 2 CFR part 415, subpart C , this program is excluded from the scope of the Executive Order 12372 which requires intergovernmental consultation with State and local officials. Under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the collection of information requirements contained in this Notice have been approved under OMB Document No. 0524-0039.

E. Definitions

Please refer to [7 CFR 3430, Competitive and Noncompetitive Non-formula Financial Assistance Programs--General Award Administrative Provisions](#), for applicable definitions for this NIFA grant program.

For the purpose of this program, the following additional definitions are applicable:

Community Food Assessment is a collaborative and participatory process that systematically examines a broad range of community food issues and assets, so as to inform change actions to make the community more food secure.

Emergency Feeding Organization means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency) providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons. (See 7 U.S.C. 7501).

Exemplary practices means high quality community food security work that emphasizes food security, nutritional quality, environmental stewardship, and economic and social equity.

Expert reviewers means individuals selected from among those recognized as uniquely qualified by training and experience in their respective fields to give expert advice on the merit of grant applications in such fields who evaluate eligible proposals submitted to this program in their respective area(s) of expertise.

Food security means access to affordable, nutritious, and culturally appropriate food for all people at all times.

Fruits and Vegetables means for the purposes of the incentives provided under these grants (i.e. as used in Section 4208) any variety of fresh, canned, dried, or frozen whole or cut fruits and vegetables without added sugars, fats, or oils, and salt (i.e. sodium).

Incentives are defined as any financial or non-financial inducements that would increase the purchase and consumption of eligible fruits and vegetables by SNAP clients. See page 6 for details.

Logic model means a systematic and visual way to present and share an understanding of the relationships among resources available to operate a program, and includes: planned activities and anticipated results; and the presentation of the resources, inputs, activities, outputs, outcomes and impacts.

Outcomes means the changes in the wellbeing of individuals that can be attributed to a particular project, program, or policy, or that a program hopes to achieve over time. They indicate a measurable change in participant knowledge, attitudes, or behaviors. For the purposes of this document, ‘impact’ and ‘outcome’ are used interchangeably.

Process evaluation means examining program activities in terms of (1) the age, sex, race, occupation, or other demographic variables of the target population; (2) the program’s organization, funding, and staffing; and (3) its location and timing. Process evaluation focuses on program activities rather than outcomes.

PromiseZone refers to designated high-poverty communities “where the federal government will partner with and invest in communities to create jobs, leverage private investment, increase economic activity, expand educational opportunities, and improve public safety.” See <https://www.hudexchange.info/programs/promise-zones/> for more information.

Non-profit Organization means a Nonprofit corporation is a special type of corporation that has been organized to meet specific tax-exempt purposes. To qualify for Nonprofit status, your corporation must be formed to benefit: (1) the public, (2) a specific group of individuals, or (3) the membership of the Nonprofit.

StrikeForce means the “USDA’s StrikeForce for Rural Growth and Opportunity Initiative which works to address the unique set of challenges faced by many of America’s rural communities. Through StrikeForce, USDA is leveraging resources and collaborating with partners and stakeholders to improve economic opportunity and quality of life in these areas.” See http://www.usda.gov/wps/portal/usda/usdahome?navid=STRIKE_FORCE for more information.

Supplemental Nutrition Assistance Program (SNAP) means the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 *et seq*).

Value Chain means adding value to a product, including production, marketing, and the provision of after-sales service and incorporating fair pricing to farms. It also involves keeping the final pricing to customers within competitive range. Value chain development, therefore, is a process of building relationships between supplier and buyer that are reciprocal and win-win; instead of always striving to buy at lowest cost.

F. Materials Available on the Internet

FINI grants program information will be made available on the NIFA web site at <http://nifa.usda.gov/program/food-insecurity-nutrition-incentive-fini-grant-program>

The following are among the materials available on the web page:

1. General Information
2. Resources, including webinars and FAQs
3. Program Specific Resources