



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



**AGENDA OF THE
REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

November 20, 2012

10:00 a.m.

**California State Association of Counties
1100 K Street
Sacramento, California**

City of Roseville
311 Vernon Street
Roseville, CA 95678

27788 Hidden Trail Road
Laguna Hills, CA 92677

County of Butte
7 County Center Drive
Oroville, CA 95965

County of Yuba
915 8th Street
Marysville, CA 95901

- I. Call the Roll (alternates designate which member they are representing).
- II. Approve the Minutes of the November 8, 2012 Regular Meeting.
- III. Staff Updates.
- IV. Approve Consent Calendar.
- V. Approve the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
 - a. PVI Apartments, L.P. (Palo Verde Apartments), City of Indio, County of Riverside; up to \$8,500,000 in multi-family housing debt obligations.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2012 at __: __ m,
Signed _____. Please fax signed page to (925) 933-8457.

- b. Total Road Improvement Program (TRIP) Approval, City of Lynwood, County of Los Angeles; up to \$9,000,000 of Local Measure R Sales Tax Revenue Certificates of Participation.
- c. Total Road Improvement Program (TRIP) Approval, City of Barstow, County of San Bernardino; up to \$14,000,000 of Local Measure I Sales Tax Revenue Certificates of Participation.
- d. Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno; up to \$7,355,000 in Special Tax Bonds.

VI. Discuss and approve 2013 CSCDA Meeting Calendar

VII. Public Comment.

VIII. Adjourn.



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Approve the following invoices for payment:
 - a. BLX Invoice #41612-1713/072412
 - b. Peter S. Cooper Appraisal Services Invoice

Tuesday, November 20, 2012

Note: Persons requiring disability-related modification or accommodation to participate in this public meeting should contact (925) 933-9229, extension 225.

Item II

Approve the Minutes of the November 8, 2012 Regular Meeting.

**REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

California State Association of Counties
1100 K Street, Sacramento, California

November 8, 2012

MINUTES

Commission Vice Chair Kevin O'Rourke called the meeting to order at 10:02 a.m.

I. Roll Call

Commission members present: Kevin O'Rourke and Terry Schutten.
Commission members participating by conference telephone: Russ Branson, Dan Mierzwa, and Tim Snellings.

Others present included: Caitlin Lancot, CSCDA Staff; Greg Stepanicich, Richards, Watson & Gershon; Laura Labanieh Campbell, CSAC Finance Corp.; Dan Harrison, League of California Cities; Brandon Dias, Orrick, Herrington & Sutcliffe; and Mark Paxson, State Treasurer's Office. Participating by conference telephone: James Hamill, CSCDA staff.

II. Closed Session

Kevin O'Rourke announced the commission would meet in closed session, as noticed, to confer with counsel concerning possible initiation of litigation pursuant to Government Code Section 54956.9(c).

After the closed session, Greg Stepanicich reported that the commission had approved a settlement involving the use of guaranteed investment contracts (GICs) in certain past TRANS transactions. Payment will be made by the GIC provider and will be passed through CSCDA to cities and counties that were affected by the anticompetitive and fraudulent practices of the GIC provider. Acceptance of the settlement includes a release of any claims against the GIC provider as part of the TRANS program.

III. Approval of Minutes—October 25, 2012

The commission approved the minutes for the meeting held October 25, 2012.

Motion by Schutten; second by Mierzwa; unanimously approved by roll-call vote.

IV. Staff Updates. There were none.

V. Approval of Consent Calendar

The commission approved the consent calendar consisting of the following items:

- A. Approval for payment of invoice from David Taussig & Associates #1209128.
- B. Approval of the following Continuing Disclosure Annual Reports for the Fiscal Year Ended June 30, 2012:
 - 1. Statewide Community Infrastructure Program Revenue Bonds 2003A.
 - 2. Statewide Community Infrastructure Program Revenue Bonds 2004A.
 - 3. Statewide Community Infrastructure Program Revenue Bonds 2005A.
 - 4. Statewide Community Infrastructure Program Revenue Bonds 2006A.
 - 5. Statewide Community Infrastructure Program Revenue Bonds 2007A.
 - 6. Statewide Community Infrastructure Program Revenue Bonds 2007B.
 - 7. Statewide Community Infrastructure Program Revenue Bonds 2008A.
 - 8. Statewide Community Infrastructure Program Revenue Bonds 2010A.
 - 9. Statewide Community Infrastructure Program Revenue Bonds 2011A.

Motion by Schutten; second by Mierzwa; unanimously approved by roll-call vote.

VI. Financing Approvals

The commission approved resolutions approving the financing; all necessary actions; the execution and delivery of all necessary documents and authorized any member or authorized signatory to sign all necessary financing documents of the following projects:

- A. The Reuben H. Fleet Science Center, City of San Diego, County of San Diego; up to \$5,000,000 in 501(c)(3) non-profit revenue bonds.

Motion by Schutten; second by O'Rourke; unanimously approved by roll-call vote.

- B. Episcopal Communities & Services, City of Rancho Palos Verdes, County of Los Angeles and City of Aliso Viejo, County of Orange; up to \$85,000,000 in 501(c)(3) non-profit revenue bonds.

Motion by Branson; second by Mierzwa; unanimously approved by roll-call vote.

- C. High Place East, L.P. (High Place East Apartments), City of Santa Monica, County of Los Angeles; up to \$15,000,000 in multi-family housing debt obligations.

Motion by Schutten; second by Mierzwa; unanimously approved by roll-call vote.

VII. Community Facilities District No. 2012-02—Manteca Lifestyle Center

The commission approved resolutions and authorized any member or authorized signatory to sign all necessary documents in support of the following actions:

- A. Approved execution of a deposit and reimbursement agreement with Manteca Lifestyle Center, LLC for the proposed Community Facilities District No. 2012-02 (Manteca Lifestyle Center), City of Manteca, County of San Joaquin.

Motion by Schutten, second by O'Rourke, unanimously approved by roll-call vote.

- B. Declared intention to establish Community Facilities District No. 2012-02 (Manteca Lifestyle Center), City of Manteca, County of San Joaquin, and to levy a special tax therein to finance the construction and acquisition of certain public facilities and to finance certain development impact fees; and set public hearing for further consideration thereof.

Motion by Schutten; second by Mierzwa; unanimously approved by roll-call vote.

- C. Declared intention to authorize bonded indebtedness to finance certain development impact fees, and the acquisition and construction of certain public facilities, to mitigate the impacts of development within Community Facilities District No. 2012-02 (Manteca Lifestyle Center), City of Manteca, County of San Joaquin; and set public hearing for further consideration thereof at the commission meeting on December 20, 2012.

Motion by Schutten; second by Mierzwa; unanimously approved by roll-call vote.

VIII. Public Comments.

Mark Paxson inquired about how the public hearing will be noticed in the matter of the Manteca Lifestyle Center. Brandon Dias reported that an announcement of the hearing will be published in a newspaper of general circulation. In addition, a mailed notice will be sent to the sole landlord affected by the CFD.

IX. Adjournment

Commission Vice Chair Kevin O'Rourke adjourned the meeting at 10:30 a.m.

Submitted by: Daniel B. Harrison, Assistant to the Secretary

*The next meeting of the commission is scheduled for
Tuesday, November 20, at 10:00 a.m.
in the CSAC Office at 1100 K Street, Sacramento, CA.*

Item IV

Consent Calendar

1. Approve the following invoices for payment:
 - a. BLX Invoice #41612-1713/072412



777 South Figueroa Street
Suite 3200
Los Angeles, CA 90017-5832

Phone 213 612 2200 Fax 213 612 2499
www.BLXGroup.com

E.I.N. 51-0404065

**PLEASE REMIT COPY OF
INVOICE WITH PAYMENT**

DATE: July 24, 2012
INVOICE NO: 41612-1713/072412

California Statewide Communities Development Authority
2033 N. Main Street
Suite 700
Walnut Creek, CA 94596
Attn: Mr. James F. Hamill

Wire Instructions:
Wells Fargo, San Francisco Branch
Account of BLX Group LLC
Account No. 41237-01104
ABA No. 121000248

Re: \$22,195,000.00
California Statewide Communities Development Authority
Water Revenue Refunding Bonds
\$14,195,000 Senior Series 1993A
\$8,000,000 Subordinate Series 1993B

For Services Rendered: Preparation of Interim Arbitrage Rebate Report in connection
with the above-captioned issuance.

For Period Ending: 6/30/2012

Engagement Fee:
Report Fee: \$2,000.00
Disbursement Fee:
Commingled Funds Fee:
Transferred Proceeds Fee:
Extra Periods Fee (0):
Variable Rate Fee:
Derivative Fee:
Opinion Fee:
Cash Flow Recreation Fee:
Yield Restriction Fee:
Final or 5th Year Fee:
Other:

Total Due:

\$2,000.00

DUE AND PAYABLE UPON RECEIPT
PLEASE REFERENCE INVOICE NUMBER 41612-1713/072412

900030/A8L

MAKE CHECKS PAYABLE TO: BLX Group LLC, Dept. 34461, P.O. BOX 39000 SAN FRANCISCO, CA 94139

Item IV

Consent Calendar

1. Approve the following invoices for payment:
 - b. Peter S. Cooper Appraisal Services Invoice

Peter S. Cooper, MAI

Real Estate Appraiser and Consultant
1255 West Shaw Avenue, Suite 102
Fresno, California 93711

INVOICE

November 14, 2012

Mr. James Hamill, Program Manager
California Statewide Communities
Development Authority
2033 North Main Street, Suite 700
Walnut Creek, California 94596

PSC File

APPRAISAL SERVICES:

5939

42 Finished Office/Industrial Lots, Fancher Creek Business Park
Fresno, California 93727

\$3,500

“

Ferguson Enterprises Warehouse/Distribution Building, Fancher Creek Business Park
Fresno, California 93727

\$3,500

5940

21.84 Acres of Commercial Land, NW & NE Corners of Kings Canyon Rd & Fowler Ave
Fresno, California 93727

\$3,000

TOTAL DUE

\$10,000

Thank you,

PETER S. COOPER APPRAISALS INC.



Peter S. Cooper, MAI
Tax ID #77-0051238

Item V

Approve the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

- a. PVI Apartments, L.P. (Palo Verde Apartments), City of Indio, County of Riverside; up to \$8,500,000 in multi-family housing debt obligations.

SUMMARY AND APPROVALS

DATE:	NOVEMBER 20, 2012
APPLICANT:	PVI APARTMENTS, LP/KDF COMMUNITIES, LLC
AMOUNT:	UP TO \$8,500,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS
PURPOSE:	FINANCE THE ACQUISITION AND REHABILITATION OF PALO VERDE APARTMENTS LOCATED IN INDIO, CA
CSCDA PROGRAM:	HOUSING

Background:

The proposed project, Palo Verde Apartments (the “Project”), is an 80-unit multi-family property located at 44720 Palo Verde Avenue in the City of Indio, California. The Project application was filed on July 12, 2012 and induced on July 19, 2012.

Summary:

KDF Communities, LLC (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$8,500,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will provide 40 two-bedroom units and 39 three-bedroom units to low-income families in Indio.

The Project consists of ten two-story garden-style apartments spread out over nearly 6 acres. The units were initially built in 1969 and in need of rehabilitation. Interior amenities will include gas ranges, refrigerator, dishwasher, air conditioning, heating, ceiling fans and large patios on first floor units. Exterior amenities include parking, two playgrounds and two on-site laundry facilities.

The Borrower has previously constructed or rehabilitated 44 multifamily and senior housing properties in California, including 36 with CSCDA.

Public Benefit:

- Project Affordability
 - 92% of the Project’s units will be income restricted:
 - 8 units reserved for tenants whose income is at or below 50% AMI
 - 65 units reserved for tenants whose income is at or below 60% AMI
 - 1 manager unit
 - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within Public Transit Corridor
 - The Project is located within ½ mile of a park or recreational facility

- The Project is located within close proximity of public K-12 school(s)
- The Project is located within ½ mile of a public library
- Economic Benefits
 - Based upon \$9,799,115 Project costs using a 1.8 multiplier the Project produces \$17,638,407 total economic activity, and at 2.1 jobs per unit produces approximately 168 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

Agency Approvals:

TEFRA Hearing: August 15, 2012, City of Indio

CDLAC Approval: November 14, 2012

Estimated Sources and Uses:

Sources:

Tax-Exempt Bond Proceeds	\$8,500,000	87.00%
Project Cash Flow	\$372,593	3.50%
Tax Credit Equity	<u>\$926,522</u>	<u>9.50%</u>
Total Sources	\$9,799,115	100.00%

Uses:

Acquisition Costs	\$7,000,000	72.00%
Total Hard Construction Costs	\$1,705,503	17.50%
Financing Costs	\$500,210	5.00%
Interest	\$440,252	4.00%
Other Soft Costs	<u>\$153,150</u>	<u>1.50%</u>
Total Uses	\$9,799,115	100%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Private Placement Lender: Citibank, N.A.

Financing Structure:

The bonds will carry a variable interest rate during the construction phase for approximately two years, but will convert to a fixed rate for 17 years during the permanent phase. The Bonds will be privately placed with Citibank. The projected true interest cost of the fixed rate Bonds under current market conditions is estimated to be 4.58%.

By using \$8,500,000 in CSCDA Bonds the Project is able to leverage an additional \$1,299,115 in other resources, for a ratio of 6.5 to 1.

Policy Compliance:

The Project complies with the following policies:

- CSCDA General Policies
- CSCDA Issuance Policies
- CDLAC's Qualified Residential Rental Program Requirements

Financing Approval:

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of Bonds by the City of Indio, and conformance to the CSCDA Issuance Policies, the Commission shall approve the Resolution as submitted to the Commission, which:

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachments:

1. Original application
2. City of Indio TEFRA Resolution
3. CDLAC Qualified Residential Rental Program Resolution Exhibit A



Building Communities, Investing in Local Government Since 1988

Housing Bond Application

APPLICANT INFORMATION

Application Number: **2012061**
Name of Developer: **KDF Communities LLC**
Primary Contact: **Chris Burns**
Title: **Director of Development**
Address: **660 Newport Center Drive, Suite 930
Newport Beach, CA 92660**
Telephone Number: **(949) 719-1888 Ext. 214**
Fax Number: **(949) 179-1897**
E-mail: **cburns@kdfcommunities.com**

BORROWER DESCRIPTION

Type of Entity: ☒ For-profit Corporation ☐ Non-profit Corporation
☐ Municipality ☒ Partnership
☐ Other (specify): _____

For Non-profits only: Will you be applying for State Volume Cap? **No**

Name of Borrowing Entity: **TBD**

Date Established: **1997**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **44**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **44**

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **Citi Community Capital**

Contact: **Bryan Barker**

Address: **One Sansome Street
San Francisco, CA 94104**

Telephone: **(415) 627-6484**

Fax: **(415) 627-2083**

E-mail: **bryan.barker@citi.com**

BOND COUNSEL

Firm: **Orrick Herrington**

Contact: **Tom Downey**

Address: **400 Sansome Street
San Francisco, CA 94111**

Telephone: **(415) 773-5965**

Fax: **(415) 773-5759**

E-mail: **tdowney@orrick.com**

Application Number: **2012061 - Palo Verde Apartments**

Name of Borrower: **KDF Communities LLC**

PROJECT DESCRIPTION

Current Project Name: **Palo Verde Apartments**

New Project Name:

Project Street Address: **44720 Palo Verde Street**

City: **Indio** State: **CA** Zip Code: **92201**

County: **Riverside County**

Is Project located in unincorporated part of the County? **No**

Total Number of Units: Market: **1** Restricted: **79** Total Units: **80**

Lot Size: **5.95 acres**

Amenities: **Interior amenities include gas ranges, refrigerator, dishwasher, air conditioning, heating, ceiling fans and large patios on first floor units. Exterior amenities include parking, two playgrounds and two on-site laundry facilities**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **Wood Frame With Stucco Exterior, 10 Two-story Buildings. The Structures Are Built On Concrete Slab Foundations With Flat Roofs**

Type of Housing: ☐ New Construction ☒ Family
☒ Acq/Rehab ☐ Senior

Is this an Assisted Living Facility? _____

City or county contact information:

Contact Name: **Jesus Gomez**
Title: **Housing Programs Manager**
Phone Number: **(760) 541-4260**
Fax Number: **(760) 391-6417**
E-mail: **jgomez@indio.org**

PUBLIC BENEFIT

Percentage of Units in Low Income Housing: **100%**

Percentage of Area Median Income(AMI) for Low Income Housing Units: **90% at 60% AMI & 10% at 50% AMI**

Total Number of Management Units: **1**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
2 Bedrooms	50	4	\$689	\$890	\$201
2 Bedrooms	60	36	\$800	\$890	\$90
3 Bedrooms	50	4	\$798	\$1,100	\$302
3 Bedrooms	60	35	\$963	\$1,100	\$137

Remarks:

OTHER PUBLIC BENEFIT**SERVICES PROVIDED**

- ☐ High-speed internet service in each affordable unit of an on-going nature for a minimum of 10 years.
- ☐ After school program of an on going nature for the minimum of 10 years.
- ☐ Educational classes (which are not the same as the after school program) for a minimum of 10 years.
- ☐ Licensed childcare providing 20 hours or more per week(Monday through Friday) to residents of the development.
- ☐ Contract for services, such as assistance with the daily living activities, or provision of senior counseling services.

ENVIRONMENT**Energy**Does the facility exceed Title 24 Standards? ☐ Yes ☒ No ☐ N/A

If Yes, by what percent? _____%

Does the facility have solar(PV) panels? ☐ Yes ☒ No ☐ N/A

If Yes, what is the size in kWh? _____

Does the facility purchase carbon credits? ☐ Yes ☒ No ☐ N/A

If Yes, what is the annual consumption? _____

Water

Does the facility provide any of the following:

Efficient Toilets? ☐ Yes ☒ No ☐ N/AWater-saving showerheads? ☐ Yes ☒ No ☐ N/ADrought tolerant landscaping? ☐ Yes ☒ No ☐ N/A

Other, specify: _____

TransportationDoes the entity provide carpooling or mass-transit subsidies? ☐ Yes ☒ No ☐ N/ADoes the entity maintain a fuel efficient fleet? ☐ Yes ☒ No ☐ N/A**Waste**Does the project provide recycling facilities? ☐ Yes ☒ No ☐ N/A**WORKFORCE****Employment Creation**

Job Type/Description	During Construction	Post Construction
None	0	0

GOVERNMENTAL INFORMATION

Congressional District #	State Senate District #	State Assembly District #
36	56	28

Application Number: **2012061 - Palo Verde Apartments**

Name of Borrower: **KDF Communities LLC**

FINANCING STRUCTURE

Type of Financing: ☐ Public Sale ☒ Private Placement ☐ Refunding

For Refundings only: Will you be applying for State Volume Cap? **No**

For Refundings only: Is this a transfer of property to a new owner? _____

Maturity: **17 Years**

Interest Rate Mode: ☒ Fixed ☐ Variable

CONSTRUCTION FINANCING:

Credit Enhancement: ☒ None ☐ Letter of Credit
☐ FNMA(Fannie Mae) ☐ Freddie Mac
☐ Bond Insurance ☐ Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

PERMANENT FINANCING:

Credit Enhancement: ☒ None ☐ Letter of Credit
☐ FNMA(Fannie Mae) ☐ Freddie Mac
☐ Bond Insurance ☐ Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

Expected Rating: ☒ Unrated ☐ S & P _____
☐ Moody's _____ ☐ Fitch _____

Projected State Allocation Pool: ☐ General ☐ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding?: **Yes**

SOURCES & USES

CONSTRUCTION SOURCES

Tax-Exempt Bond Proceeds:	\$7,500,000
Taxable Bond Proceeds:	
Tax Credits:	\$2,006,327
Developer Equity:	
Other Funds(Describe):	
Project Cash Flow	\$406,411
_____
_____
_____
_____
TOTAL:	\$9,912,738

USES

Land Acquisition:	
Building Acquisition:	\$7,000,000
Construction or Remodel:	\$1,855,983
Cost of Issuance:	\$326,944
Capitalized Interest:	\$370,878
Reserves:	\$182,234
Other Funds(Describe):	
Tax Credit Fees	\$32,800
Third Party Report	\$21,750
Survey	\$15,000
Title & Recording	\$9,800
All Other	\$97,349
TOTAL:	\$9,912,738

Application Number: **2012061 - Palo Verde Apartments**

Name of Borrower: **KDF Communities LLC**

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR	REBATE ANALYST
Firm: N/A	Firm: TBD
Contact:	Contact:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
E-mail:	E-mail:

ADDITIONAL REQUIREMENT

Please provide the following as an additional attachment:

<u>Attachment</u>	<u>Description of Information</u>
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A	\$5,000 non-refundable* issuance fee deposit payable to "California Communities."
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*Refundable only if financing not approved.

MAILING ADDRESS

California Communities®
2033 N. Main St., Suite 700
Walnut Creek, CA 94596

RESOLUTION NO. 12H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,500,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS PALO VERDE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “Agreement”), to issue revenue bonds and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction, rehabilitation, and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, PVI Apartments LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Palo Verde Apartments) 2012 Series CC (the “Note”) to assist in the financing of the acquisition, rehabilitation and development of an 80-unit multifamily housing rental development located in the City of Indio, California, and known as Palo Verde Apartments (the “Project”);

WHEREAS, on November 14, 2012, the Authority received an allocation in the amount of \$8,500,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Indio (the “City”) is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Note;

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$8,500,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Note will be executed and delivered to Citibank, N.A. (the “Funding Lender”), as the initial holder of the Note;

WHEREAS, there have been prepared and made available to the members of the Commission of the Authority (the "Commission") the following documents required for the execution and delivery of the Note, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Funding Loan Agreement (the "Funding Loan Agreement") to be entered into between the Funding Lender and the Authority;

(2) Borrower Loan Agreement (the "Borrower Loan Agreement") to be entered into between the Authority and Borrower;

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into between the Authority and the Borrower; and

(4) Contingency Draw-Down Agreement (the "Contingency Draw-Down Agreement") to be entered into by the Funding Lender and the Borrower;

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission, as follows:

Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Note (Palo Verde Apartments) 2012 Series CC", in an aggregate principal amount not to exceed \$8,500,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a "Member").

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 11R-18 of the Authority, adopted on September 28, 2011) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and

insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond December 1, 2057), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Borrower Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Borrower Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The Contingency Draw-Down Agreement in the form presented at this meeting is hereby approved.

Section 7. The Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized

Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

Section 10. This Resolution shall take effect upon its adoption.

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Statewide Communities Development Authority this November 20, 2012.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on November 20, 2012.

By _____
Authorized Signatory

Item V

Approve the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

- b. Total Road Improvement Program (TRIP) Approval, City of Lynwood, County of Los Angeles; up to \$9,000,000 of Local Measure R Sales Tax Revenue Certificates of Participation.

SUMMARY AND APPROVALS

DATE: NOVEMBER 20, 2012

APPLICANT: CITY OF LYNWOOD

AMOUNT: UP TO \$9,000,000 OF LOCAL MEASURE R SALES TAX REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION

PURPOSE: FINANCE THE IMPROVEMENT OF STREET INFRASTRUCTURE

PROGRAM: TOTAL ROAD IMPROVEMENT PROGRAM (TRIP)

Background:

In 2008 the Commission approved the ability of the Authority to offer a program to cities and counties to finance street improvement projects by a pledge of local sales tax revenues, with the Authority entering into Installment Sale Agreements with such cities and counties which are members of the Authority. The payments under which would represent payments on Certificates of Participation (“COPs”) to be executed and delivered on a pooled or stand-alone basis.

Los Angeles County Metropolitan Transportation Authority (LACMTA) collects a ½ cent sales tax (“Measure R”) within the county to pay for regional and local transportation projects. In November 2008, Los Angeles County voters approved the Measure R sales tax collection to 2039. LACMTA member agencies (e.g. Los Angeles County cities) are allocated a portion of annual Measure R revenues to pay for local street projects allowed under the Measure R sale tax ordinance. Measure R funds are apportioned based on proportionate shares of dwelling units, sales tax generated and other factors. The Measure R revenue pledge for the TRIP COPs was approved by the LACMTA Board on July 26, 2012.

Summary:

The City of Lynwood (the “City”) approved the issuance of approximately \$9 million of Transportation Revenue Certificates of Participation (COPs) on April 3, 2012 through CSCDA’s TRIP Program. The Commission approved the issuance of approximately \$9 million of Transportation Revenue COPs on August 9, 2012. The City is expected to approve an amending resolution on November 20, 2012 to acknowledge that the financing will involve a sole pledge of local Measure R sales tax revenues. All approvals by the Commission will be subject to the City’s approving the amendment.

No other funding sources will be pledged under the COPs. The COPs are scheduled to be issued in early December 2012.

Revenues for FY 2011/12:

\$597,003 - Local Measure R revenues from Los Angeles County Metropolitan Transit Authority

The proposed COPs will be secured solely by a pledge of Lynwood's apportionment of Local Measure R revenues. Based on current interest rates, the maximum annual COP payment will be approximately \$395,000. The all-in interest rate is currently estimated to be 5.00%. Based on Lynwood's FY 2011/12 Local Measure R Revenues, the COPs will have maximum annual payment coverage of over 1.50 times.

The City of Lynwood is undertaking financing as part of the City's ongoing effort to accelerate street system improvements within its jurisdiction. The financing is comprised of facilities that are eligible for expenditure of Measure R Receipts under applicable laws of the State.

Public Benefit:

- The issuance of the certificates on behalf of the City of Lynwood will allow the City to make much needed improvements to their street infrastructure which will save further degradation of their street network and save the city money by fixing the problems before they get more expensive.
- The program will provide the ability to catch up on backlog repairs; increase the service level of the street network; and lower maintenance costs long term
- The issuance will call for Certificates of Participation under an installment sale structure. No lease of assets would be required, wherein past transactions of this nature have required a lease of city/county assets.

Approvals:

Based on the overall public benefit, conformance to the California Communities Issuance Policies, and the City of Lynwood's approval of the financing the Commission shall approve the Resolution which:

1. Approves the issuance of the certificates of participation through the Total Road Improvement Program, subject to the amendment by the City of Lynwood being approved;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachment A – Total Road Improvement Program

Local Approval Information and Projects:

On April 3, 2012, the City of Lynwood approved a resolution authorizing the issuance of TRIP COPs. The following projects are those anticipated to be partially funded by the financing:

<u>Name of Project Component</u>	<u>Description of Project Component</u>	<u>Estimated Cost</u>
Asphalt Rubber Aggregate Membrane (ARAM) Project	Repair, upgrade, or reconstruct residential streets that are in poor or fair condition	\$2,900,000
Pavement Grind/Overlay and Full Reconstruction Project	Repair, upgrade, or reconstruct residential streets that are in poor or fair condition	<u>6,006,000</u>
Total		\$8,906,000

The remaining portion of the project will be paid with the City's existing street funding and reserves.

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Los Angeles
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Underwriter: De La Rosa & Co., Los Angeles
- Underwriter's Counsel: Goodwin Proctor LLP, Los Angeles
- Financial Advisors: Urban Futures, Inc, Orange & Montague DeRose and Associates
- Trustee: Wells Fargo Bank, Los Angeles

Financing Structure:

The bonds will mature in no more than twenty seven years and will be issued as fixed rate tax-exempt obligations. The bonds will be publicly offered by the Underwriter in minimum denominations of \$5,000. The COPs are expected to receive an "A" category rating from Standard & Poor's. If the COPs qualify for Assured Guaranty insurance ("Aa3/AA-" rating, Moody's negative outlook) and there is an economic benefit, the COPs may be issued with Assured Guaranty insurance. The proposed sale of bonds will comply with the Authority's policies for the issuance of publicly offered securities.

The City of Lynwood is currently considering issuing \$6,300,000. However, if interest rates improve or if the City's funding needs change, the City may consider issuing up to \$9,000,000 to fund other street projects.

Estimated Sources and Uses:

Sources:

Bond Proceeds	<u>\$ 6,300,000</u>
Total Sources	\$ 6,300,000

Uses:

Project Fund	\$ 5,645,000
Debt Service Reserve Fund	\$ 395,000
Cost of Issuance	<u>\$ 260,000</u>
Total Uses	\$ 6,300,000



Building Communities, Investing in Local Government Since 1988

TRIP Bond Application

APPLICANT INFORMATION

Application Number: **2012087**

Name of Borrower: **City of Lynwood**

Primary Contact: **Amanda Roberson**

Title: **Controller**

Street Address: **11330 Bullis Rd** Suite: _____

City: **Lynwood** State: **CA** Zip Code: **90262**

Telephone Number: **(310) 603-0220** Ext. **281**

Fax Number: **(310) 603-0220**

E-mail: **bshumey@cacommunities.org**

Type of Entity: ☐ For-profit Corporation ☐ Non-profit Corporation
☒ Municipality ☐ Partnership
☐ Special District ☐ Other (specify): _____

Date Organized: **07/16/1921**

PROJECT INFORMATION

Project Name: **Trip 2012 - City of Lynwood**

Facility Name: **City of Lynwood**

Street Address: **11330 Bullis Rd**

City: **Lynwood** State: **CA** Zip Code: **90262**

County: **Los Angeles**

Is Project located in unincorporated part of the County? **No**

Has the city or county in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Contact Name: _____

Title: _____

Phone Number: _____ Ext. _____

Fax Number: _____

E-mail: _____



Building Communities, Investing in Local Government Since 1988

TRIP Bond Application

FINANCING INFORMATION

Principal Amount: **\$9,000,000**

Tax-exempt Amount: **\$9,000,000**

Taxable Amount: **\$0**

Proposed Closing Date: **12/20/2012**

Maturity: **27 Years** Interest Rate Mode: ☒ Fixed ☐ Variable

Type of Offering: ☒ Public Offering ☐ Private Placement

Denominations: **5,000**

Type of Financing: ☐ Acquisition of Existing Facility ☒ New Construction
☐ Refunding

Credit Enhancement: ☒ None ☐ Letter of Credit
☐ Bond Insurance ☐ Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

Expected Rating: ☐ Unrated ☒ S & P A
☐ Moody's _____ ☐ Fitch _____

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **De La Rosa and Company**

Contact: **John Kim**

Address: **10866 Wilshire Blvd
Los Angeles, CA 90024**

Telephone: **(310) 207-1975**

Fax: **(310) 207-1995**

E-mail: **jkim@ejdelarosa.com**

BOND COUNSEL

Firm: **Orrick, Herrington & Sutcliffe, LLP**

Contact: **Bill Bothwell**

Address: **777 S Figueroa St
San Francisco, CA 90017**

Telephone: **(213) 612-2403**

Fax: **(213) 612-2020**

E-mail: **wbothwell@orrick.com**



Building Communities, Investing in Local Government Since 1988

TRIP Bond Application

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR	REBATE ANALYST
Firm: N/A	Firm: TBD
Contact:	Contact:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
E-mail:	E-mail:

ADDITIONAL INFORMATION REQUIRED

Please provide the following information as additional attachments:

<u>Attachment</u>	<u>Description of Information</u>
	No Additional Requirement

MAILING ADDRESS

California Communities®
2033 N. Main St., Suite 700
Walnut Creek, CA 94596



TRIP Bond Application Attachment D

Application: **2012087 - Trip 2012 - City of Lynwood**
 Borrower: **City of Lynwood**
 Facility #1: **City of Lynwood**

PUBLIC BENEFITS

ENVIRONMENT

Energy

- Does the facility exceed Title 24 Standards? ☐ Yes ☐ No ☒ N/A
 If Yes, by what percent? _____ %
 Does the facility have solar(PV) panels? ☐ Yes ☐ No ☒ N/A
 If Yes, what is the size in kWh? _____
 Does the facility purchase carbon credits? ☐ Yes ☐ No ☒ N/A
 If Yes, what is the annual consumption? _____

Water

- Does the facility provide any of the following:
 Efficient Toilets? ☐ Yes ☐ No ☒ N/A
 Water-saving showerheads? ☐ Yes ☐ No ☒ N/A
 Drought tolerant landscaping? ☐ Yes ☐ No ☒ N/A
 Other, specify: _____

Transportation

- Does the entity provide carpooling or mass-transit subsidies? ☐ Yes ☐ No ☒ N/A
 Does the entity maintain a fuel efficient fleet? ☐ Yes ☐ No ☒ N/A

Waste

- Does the project provide recycling facilities? ☐ Yes ☐ No ☒ N/A

WORKFORCE

Employment Creation

Job Type/Description

None

	During Construction	Post Construction
	<u>0</u>	<u>0</u>

GOVERNMENTAL INFORMATION

Congressional District #

State Senate District #

27

State Assembly District #

50

RESOLUTION NO. 2012.061

A RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF CALIFORNIA COMMUNITIES TRANSPORTATION REVENUE (INSTALLMENT SALE) CERTIFICATES OF PARTICIPATION, SERIES 2012C (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 Lynwood (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 of Lynwood, 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 motor vehicle fuel tax revenues received by the City from the State of California, and deposited into the Gas Tax Fund, 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 motor vehicle fuel tax revenues received by the City from the State of California, and deposited into the Gas Tax Fund;

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 2012C (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, E. J. De La Rosa & Co., Inc., 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 of Lynwood; 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 LYNWOOD DOES HEREBY RESOLVE AND DETERMINE 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 \$9,000,000, the true interest cost applicable to the interest components of the installment payments shall not exceed 7.00% per annum and the final principal installment due on the Installment Agreement shall be no later than June 1, 2042. 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 1.25% 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 2012 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 2012 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:

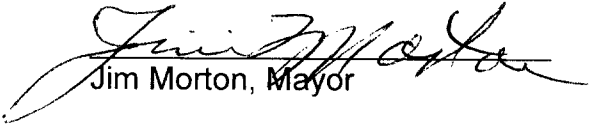
TITLE

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

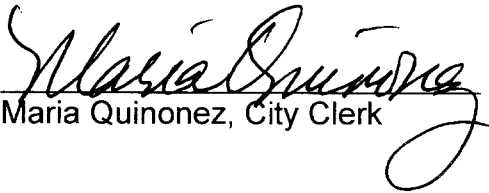
Section 11. All actions heretofore taken by the officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

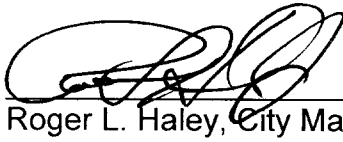
Section 12. This Resolution shall be in full force and effect upon its adoption.

PASSED, APPROVED and ADOPTED this 3rd day of April, 2012.

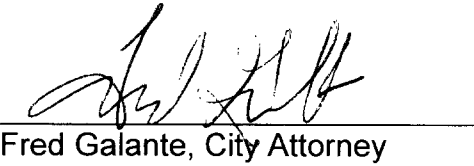

Jim Morton, Mayor

ATTEST:



Maria Quinonez, City Clerk


Roger L. Haley, City Manager

APPROVED AS TO FORM:


Fred Galante, City Attorney

APPROVED AS TO CONTENT:


Robert S. Torrez, Assistant
City Manager

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

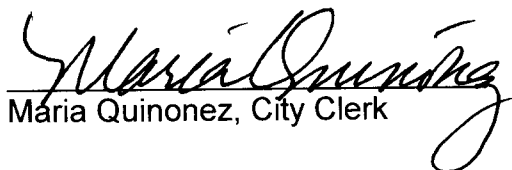
I, the undersigned, City Clerk of the City of Lynwood, do hereby certify that the foregoing Resolution was passed and adopted by the City Council of the City of Lynwood at a regular meeting held on the 3rd day of April, 2012.

AYES: **COUNCIL MEMBERS RODRIGUEZ, SANTILLAN-BEAS, ALATORRE
 AND MORTON**

NOES: **NONE**

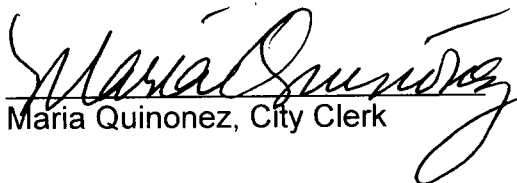
ABSENT: **COUNCIL MEMBER CASTRO**

ABSTAIN: **NONE**


Maria Quinonez, City Clerk

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

I, the undersigned, City Clerk of the City of Lynwood, and the Clerk of the City Council of said City, do hereby certify that the above foregoing is a full, true and correct copy of Resolution No. **2012.061** on file in my office and that said Resolution was adopted on the date and by the vote therein stated. Dated this 3rd day of April, 2012.

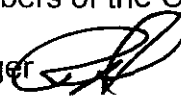

Maria Quinonez, City Clerk





AGENDA STAFF REPORT

DATE: April 3, 2012

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Roger L. Haley, City Manager 

PREPARED BY: Robert S. Torrez, Assistant City Manager 
G. Daniel Ojeda, P.E., Director of Public Works/City Engineer 

SUBJECT: Proposed 2012 Transportation Revenue Certificates of Participation Issuance for Street Improvement Projects

Recommendation:

Staff recommends that the City Council, after conducting the public hearing, adopt the attached resolution entitled: "A RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF CALIFORNIA COMMUNITIES TRANSPORTATION REVENUE (INSTALLMENT SALE) CERTIFICATES OF PARTICIPATION, SERIES 2012C (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".

Background:

The most recent study of the condition of City streets (prepared by a consultant in August 2010) concluded the overall condition of the City's pavement network was "Fair" with a weighted average Pavement Condition Index (PCI) score of 65.88 for asphalt concrete (AC) streets and 56.32 for Portland cement concrete (PCC) streets. This "Fair" assessment means that street deterioration will accelerate, and annual maintenance costs will increase, if the pavement does not receive capital maintenance or improvements.

The City has been able to maintain its arterial streets in good condition (i.e. 96% above "Fair" level) by aggressively pursuing and using Federal and Prop. C funds for these

AGENDA
ITEM

8

arterial street improvements. However, only 67% of collectors, 56% of residential streets and 34% of alleys are above the "Fair" level due to a general lack of funding for these types of improvements. This is the case for most cities in California

In order to fund the repair, upgrade and reconstruction of residential streets which are in "Poor" or "Fair" condition, staff proposed to issue about \$5.5 million of Certificates of Participation (COPs) through the California Statewide Communities Development Authority (California Communities) Total Road Improvements Program (TRIP). These TRIP COPs would raise funds which would be used for Asphalt Rubber Aggregate Membrane (ARAM) projects and for conventional Grind and Overlay/Reconstruction projects to improve residential streets.

On March 6, 2012 the City Council adopted the resolution entitled: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LYNWOOD APPROVING THE STREET IMPROVEMENT PROJECTS TO BE FUNDED BY THE ISSUANCE OF PROPOSED 2012 MEASURE R BONDS THROUGH THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY"

Discussion & Analysis:

In order to provide funding to repair, upgrade or reconstruct residential streets that are in poor to fair condition, staff is now proposing to issue up to \$9 million of Measure R and Gas Tax backed COPs to finance improvements to residential streets.

Financing Plan

Article 19 of the California Constitution authorizes the collection of the Motor Vehicle Fuel Tax (the "Gas Tax") to be used for operation, construction, or maintenance of public streets and highways. The Gas Tax is an 18 cent per gallon State fuel excise tax. Last year, the Gas Tax was increased by 17.3 cents by the State Legislature which was offset by reducing the amount of gasoline sales tax (Prop. 42 funds) distributed to local agencies. The California State Controller allocates the Gas Tax to cities and counties monthly based on factors such as population according to Section 2103, 2105, 2106, and 2107 of the California Streets & Highway Codes. The City of Lynwood receives about \$1.7 million of Gas Tax Revenues annually.

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" (LACMTA website). The ½ cent sales tax measure allocates 15% of annual Measure R Revenues to projects for local cities through the L.A. County Metropolitan Transportation Authority (LACMTA) Local Return Program. The City of Lynwood

collects about \$650,000 of Measure R Revenues annually. This revenue is expected to grow over the years.

The California Statewide Communities Development Authority ("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 Lynwood is a member of California Communities.

In 2007, California Communities implemented 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 efficient and cost effective. Under the Program, California Communities would cause the execution and delivery of Certificates of Participation (COPs) on behalf of the City of Lynwood and other local cities. COPS are, essentially, another form of municipal financing that are frequently issued to finance capital projects. Lynwood has issued COPs previously. Staff recommends authorizing the issuance of the COPs with the California Communities TRIP pool to reduce financing costs and to increase the overall COP issue size, which in turn could make the issue more attractive to investors and should reduce borrowing costs.

Staff is proposing the execution and delivery of the Transportation Revenue COPs in an amount not to exceed \$9 million. However, with Council approval, staff proposes to actually issue less than \$9 million; most likely approximately \$7.5 million which, after accounting for the required reserve and issuance costs, would yield net proceeds of approximately \$6.5 million for street projects. The COPs will be secured solely by Gas Tax revenues that the City receives from the State of California and Measure R Revenues the City receives from LACMTA.

Each local agency participant would be responsible for installment payments relating to their share of the COPS. For example, if three cities join the pool, including Lynwood, and the COPs issued by California Communities for this pool total \$27 million, Lynwood would only be obligated for its \$9 million share. No city is responsible for any other city's obligation under the Program.

Street Projects to Be Financed

Staff proposes using the following types of street improvement methods:

1. Street Pavement Rehabilitation using ARAM:

This project will utilize the Asphalt Rubber Aggregate Membrane (ARAM) process for a number of residential streets that have the PCI level between 45 and 64. This pavement process has never been used in Lynwood; however, it has been used by numerous cities in Southern and Northern California and Caltrans with great success. This process is similar to the Chip Seal process with the utilization of an asphalt rubber membrane that provides better protection against water infiltration and reflective cracking. Staff is proposing to use about \$2.9 million for this project, which will cover approximately 1,665,000 square feet of pavement. The streets included in this project will not require any additional design; however, some concrete replacement work (includes curb and gutter, cross gutters, and sidewalks) will be done as needed.

2. Street Pavement Rehabilitation using Grind/ Overlay/ Reconstruction:

This is the conventional street improvement method used for residential streets having a PCI between 25 and 44 (very poor). Staff is proposing to use \$3.6 million for this project, which will cover approximately 825,000 square feet of pavement. The streets included in this project may require some design engineering depending on the location in order to address some existing drainage issues. Concrete replacement work will also be done as needed.

Please see Attachment 6 for a detailed list of street (ARAM and Grind/Overlay) projects to be financed from the COPs.

Financing Structure

The Certificates will be repaid over 25 years with annual payments of approximately \$550,000. It is projected that 100% of the annual COP payments will be paid for from Measure R Revenues (estimated to be \$650,000 annually). Please see Attachment No. 7 for a detailed breakdown of the analysis.

To enhance the credit of the COPs, and attract lower interest rates on the bonds, both the City's annual Measure R and Gas Tax Revenues will be pledged to the annual COP payment. Therefore, the combined annual Measure R and Gas Tax Revenues will be structured to provide 4.27 times coverage over the annual COP payments (meaning the pledge is sufficient to cover the \$550,000 bond payment more than four times over).

All revenues in excess of the annual COP payment would be unencumbered and available for any permissible use by the City. Based upon the above projections, about \$100,000 in annual Measure R Revenues would be leftover and \$1,685,246 (or 100%) of Gas Tax Revenues would be available for use by the City for ongoing street operations and maintenance. The Certificates are expected to garner an "A" underlying

rating from S&P due to the pledge of revenues, plus the City's recent history of strong fiscal policies and leadership.

Based on a 5.75% interest rate and a 25-year financing term, the amount of COPs to be issued is projected to be \$7.5 million, which is projected to net the City approximately \$6.5 million in project proceeds after setting aside money for the reserve fund and paying costs of issuance. The estimated reserve fund is \$549,900 and the estimated costs of issuance are \$212,532. The proposed not-to-exceed amount of this series of COPs to be allocated to the City is conservatively set at \$9 million which provides the City flexibility to take advantage of favorable interest rates and raise additional proceeds at the same level of Certificate payments or modify the plan of finance prior to the pricing.

Judicial Validation Process

Prior to the execution and delivery of the Certificates, the financing structure and pledge of Gas Tax Revenues and Measure R Revenues will be judicially validated pursuant to proceedings to be commenced in the Superior Court of the County of Los Angeles, pursuant to the provisions of Section 860 et. Seq. of the California Code of Civil Procedure. The Gas Tax Revenue pledge and financing structure has been successfully validated under the same Program for many cities across the State. If unchallenged, the Superior Court of the County of Los Angeles is expected to enter a default judgment to the effect that the Installment Payments are valid, legal, and binding obligations of the City and that the City has the legal ability to pledge Gas Tax Revenues and Measure R Revenues toward the repayment of Installment Sale Agreement. *Judicial validation* is required so that bond counsel can opine that the Certificates are valid and legal.

The City will be responsible for paying a \$7,500 legal fee to Orrick Herrington & Sutcliffe (bond & special counsel handling the validation proceedings) in the case that the validation package is filed, but not successful. If the validation package is filed and the proceedings are successful, but the City chooses to otherwise not move forward with the Program, the City will be responsible for paying \$15,000 to Orrick to cover legal fees incurred on its behalf. These fees can be paid from the Certificate proceeds; otherwise they must be paid out-of-pocket by the City.

City Council is being asked to authorize the sale, execution and delivery of the Certificates, as well as the commencement of the judicial validation process. The validation process involves several steps that allow public response and takes several months.

Estimated Financing Schedule

If the Council authorizes staff to move forward with the TRIP financing program, the COPs will be issued mid-July 2012 and the City will be able to fund street projects by the end of July 2012. A projected schedule is shown below.

<u>April 3, 2012</u>	City Council approval
<u>April - June, 2012</u>	Judicial validation proceedings with Superior Court
<u>July 5, 2012</u>	End of validation proceedings and appeal period
<u>July 2012</u>	Print and mail Preliminary Official Statement to investors
<u>Mid-July 2012</u>	Sale of Certificates through California Communities
<u>End of July 2012</u>	Certificate closing; funds available to City

Explanation of Recommended Actions/Documents for Approval

Below is an explanation of the actions and documents to be approved by Council.

Resolution No. 2012.061(Attachment No. 1) will accomplish the following:

- Approves the form of the following documents:
 - Installment Sale Agreement (Attachment No. 2)
 - Trust Agreement (Attachment No. 3)
 - Preliminary Official Statement (Attachment No. 4)
 - Certificate Purchase Agreement (Attachment No. 5)
- Approves the sale of the Certificates in an amount not to exceed \$9 million.
- Authorizes the Mayor, City Clerk, City Manager and Assistant City Manager as applicable, to execute all of the above documents, and such other documents and certifications that may be necessary to consummate the transaction.
- Approves the sale of the Certificates to the underwriter, E. J. De La Rosa & Co., Inc. on a pooled or stand-alone basis at a net interest cost of not more than 7.00 percent and an underwriter's discount of not more than 1.25 percent.
- Authorizes the commencement and completion of proceedings required for the judicial validation of the validity of the foregoing documents and the pledge of Gas Tax revenues to the payment of Installment Payments (as defined below).

The documents presented for approval are as follows:

Installment Purchase Agreement. The Installment Purchase 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 Purchase 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 (Wells Fargo Bank, 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 2012C Transportation Revenue COPs.

Certificate Purchase Agreement. The Certificate Purchase Agreement among California Communities, E. J. De La Rosa & Co. and the City defines the terms and conditions under which the Certificates will be purchased by the underwriter.

Fiscal Impact:

Annual COP payments will be about \$550,000 and paid over 25 years. COP payments are expected to be paid solely from the City’s Measure R Revenues, although Gas Tax Revenues have also been pledged to strengthen the financing. The City retains the flexibility to use its future Gas Tax Revenues to make COP payments at its own discretion. Proceeds from the sale of the Certificates will fund street projects totaling up to \$6.5million. Payments over the 25 years will total about \$14,925,000.

All financing costs of about \$212,000 will be paid for out of proceeds from the issuance of the COPs (assuming the validation proceedings are successful). If the City does not proceed with the COP financing, the only fee that must be paid is a \$15,000 validation fee payable to Orrick, Herrington & Sutcliffe (bond counsel).

Please note that the City is participating in a financing offered through the statewide CSCDA (financing authority sponsored by the League of California Cities and California State Association of Counties) and as such all financing team consultants were selected, via a competitive process, by CSCDA. However, City staff has retained the services of the financial advisory firm Montague DeRose & Associates, LLC under the City Manager’s authority. These fees will be paid directly from the COPs proceeds.

Notification:

A "Notice of Public Hearing" was published on March 22, 2012, in the Lynwood Press Wave in accordance with in accordance with Section 6586.5 of Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

Attachments:

1. Resolution No. 2012.061 Approving the Execution and Delivery of California Communities Transportation Revenue (Installment Sale) Certificates of Participation, Series 2011C (TRIP – 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
2. Installment Sale Agreement
3. Trust Agreement
4. Preliminary Official Statement
5. Certificate Purchase Agreement
6. Street Project List (ARAM and Grind/Overlay)
7. 25-Year COP Financing Analysis (Preliminary)

Coordinated With:

City Attorney's Office
City Manager's Office
Public Works Department

Item V

Approve the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

- c. Total Road Improvement Program (TRIP) Approval, City of Barstow, County of San Bernardino; up to \$14,000,000 of Local Measure I Sales Tax Revenue Certificates of Participation.

SUMMARY AND APPROVALS

DATE: NOVEMBER 20, 2012
APPLICANT: CITY OF BARSTOW
AMOUNT: UP TO \$14,000,000 OF LOCAL MEASURE I SALES TAX REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION
PURPOSE: FINANCE THE IMPROVEMENT OF STREET INFRASTRUCTURE
PROGRAM: TOTAL ROAD IMPROVEMENT PROGRAM (TRIP)

Background:

In 2008 the Commission approved the ability of the Authority to offer a program to cities and counties to finance street improvement projects by a pledge of local sales tax revenues, with the Authority entering into Installment Sale Agreements with such cities and counties which are members of the Authority. The payments under which would represent payments on Certificates of Participation (“COPs”) to be executed and delivered on a pooled or stand-alone basis.

The Original Measure I Ordinance imposed the Measure I 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 San Bernardino and a use tax at the same rate upon the storage, use, or other consumption in the County of San Bernardino of such property purchased from any retailer for storage, use, or other consumption in the County of San Bernardino, subject to certain limited exceptions. As approved by the voters in 1989, the Measure I Sales Tax was limited to 30 years in duration. On June 2, 2004, the San Bernardino County Transportation Authority adopted the Measure I Ordinance, which extended the imposition of the Measure I Sales Tax until March 31, 2040. The Measure I Ordinance was submitted to the electors of the County of San Bernardino and approved at an election held in November 2004, by more than two-thirds of the voters. The Measure I revenue pledge for the TRIP COPs was approved by the San Bernardino Associated Government Board on September 5, 2012.

Summary:

The City of Barstow (the “City”) received approval of the issuance a not-to-exceed amount of \$25 million of Transportation Revenue Certificates of Participation (COPs) on April 16, 2012 through CSCDA’s TRIP Program. The City is expected to approve an amending resolution on November 19, 2012 to acknowledge that the financing will involve a sole pledge of local Measure I sales tax revenues. Staff will update the Commission at the November 20, 2012 meeting whether this amendment was adopted by the City.

-No other funding sources will be pledged under the COPs. The COPs are scheduled to be issued in early December 2012.

Revenues for FY 2011/12:

\$2,182,507 Local Measure I revenues from San Bernardino County Transportation Authority

The proposed COPs will be secured solely by a pledge of Barstow's apportionment of Local Measure I revenues. Based on current interest rates, the maximum annual COP payment will be approximately \$1,450,000. The all-in interest rate is currently estimated to be 4.00%. Based on Barstow's FY 2011/12 Local Measure I revenues, the COPs will have maximum annual payment coverage of over 1.50 times.

The City of Barstow is undertaking the financing as part of the City's ongoing effort to accelerate street system improvements within its jurisdiction. The financing is comprised of facilities that are eligible for expenditure of Measure I Receipts under applicable laws of the State.

Public Benefit:

- The issuance of the certificates on behalf of the City of Barstow will allow the City to make much needed improvements to their street infrastructure which will save further degradation of their street network and save the city money by fixing the problems before they get more expensive.
- The program will provide the ability to catch up on backlog repairs; increase the service level of the street network; and lower maintenance costs long term.
- The issuance will call for Certificates of Participation under an installment sale structure. No lease of assets would be required, wherein past transactions of this nature have required a lease of city/county assets.

Approvals:

Based on the overall public benefit, conformance to the California Communities Issuance Policies, and the City of Barstow's approval of the financing the Commission shall approve the Resolution which:

1. Approves the issuance of the certificates of participation through the Total Road Improvement Program;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachment A – Total Road Improvement Program

Local Approval Information and Projects:

On April 16, 2012, the City of Barstow approved a resolution authorizing the issuance of TRIP COPs. The following projects are those anticipated to be partially funded by the financing:

<u>Name of Project Component</u>	<u>Description of Project Component</u>	<u>Estimated Cost</u>
Street Reconstruction	Approximately 37.42 miles of streets located in the City of Barstow, which are in need of reconstruction.	\$20,953,000

The remaining portion of the project will be paid with the City's existing street funding and reserves.

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Los Angeles
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Underwriter: De La Rosa & Co., Los Angeles
- Underwriter's Counsel: Goodwin Proctor LLP, Los Angeles
- Financial Advisor: Urban Futures, Inc, Orange
- Trustee: Wells Fargo Bank, Los Angeles

Financing Structure:

The COPs will mature in no more than fifteen years and will be issued as fixed rate tax-exempt obligations. The COPs will be publicly offered by the Underwriter in minimum denominations of \$5,000. The COPs are expected to receive an "A" category rating from Standard & Poor's. If the COPs qualify for Assured Guaranty insurance ("Aa3/AA-" rating, Moody's negative outlook) and there is an economic benefit, the COPs may be issued with Assured Guaranty insurance. The proposed sale of COPs will comply with the Authority's policies for the issuance of publicly offered securities.

The City of Barstow is currently considering issuing \$10,500,000. However, if interest rates improve or if the City's funding needs change, the City may consider issuing up to \$14,000,000 to fund other street projects.

Estimated Sources and Uses:

Sources:

COP Proceeds	\$ 10,500,000
Total Sources	\$ 10,500,000

Uses:

Project Fund	\$	9,150,000
Debt Service Reserve Fund	\$	1,050,000
Cost of Issuance	\$	<u>300,000</u>
Total Uses	\$	10,500,000



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TRIP Bond Application

APPLICANT INFORMATION

Application Number: **2012075**

Name of Borrower: **City of Barstow**

Primary Contact: **Oliver Chi**

Title: **Assistant City Manger**

Street Address: **220 E Mountain View Street** Suite: **A**

City: **Barstow** State: **CA** Zip Code: **92311**

Telephone Number: **(760) 577-4510**

Fax Number: **(760) 577-4510**

E-mail: **bshumey@cacommunities.org**

Type of Entity: ☐ For-profit Corporation ☐ Non-profit Corporation
☒ Municipality ☐ Partnership
☐ Special District ☐ Other (specify): _____

Date Organized: **09/30/1947**

PROJECT INFORMATION

Project Name: **TRIP 2012 - City of Barstow**

Facility Name: **City of Barstow**

Street Address: **220 E Mountain View St**

City: **Barstow** State: **CA** Zip Code: **92311**

County: **San Bernardino**

Is Project located in unincorporated part of the County? **No**

Has the city or county in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Contact Name: _____

Title: _____

Phone Number: _____ Ext. _____

Fax Number: _____

E-mail: _____



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TRIP Bond Application

FINANCING INFORMATION

Principal Amount: **\$25,000,000**
Tax-exempt Amount: **\$25,000,000**
Taxable Amount: **\$0**

Proposed Closing Date: **10/30/2012**

Maturity: **30 Years** Interest Rate Mode: ☒ Fixed ☐ Variable

Type of Offering: ☒ Public Offering ☐ Private Placement
Denominations: **5,000**

Type of Financing: ☐ Acquisition of Existing Facility ☒ New Construction
☐ Refunding

Credit Enhancement: ☒ None ☐ Letter of Credit
☐ Bond Insurance ☐ Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

Expected Rating: ☐ Unrated ☒ S & P A-
☐ Moody's _____ ☐ Fitch _____

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **De La Rosa and Company**

Contact: **John Kim**

Address: **10866 Wilshire Blvd, Suite 1650
Los Angeles, CA 90024**

Telephone: **(310) 207-1975**

Fax: **(310) 207-1995**

E-mail: **jkim@ejdelarosa.com**

BOND COUNSEL

Firm: **Orrick, Herrington & Sutcliffe, LLP**

Contact: **Bill Bothwell**

Address: **777 S Figueroa St, Suite 3200
Los Angeles, CA 90017**

Telephone: **(213) 612-2403**

Fax: **(213) 612-2020**

E-mail: **wbothwell@orrick.com**



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TRIP Bond Application

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR	REBATE ANALYST
Firm: N/A	Firm: TBD
Contact:	Contact:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
E-mail:	E-mail:

ADDITIONAL INFORMATION REQUIRED

Please provide the following information as additional attachments:

<u>Attachment</u>	<u>Description of Information</u>
	No Additional Requirement

MAILING ADDRESS

California Communities®
2033 N. Main St., Suite 700
Walnut Creek, CA 94596



TRIP Bond Application Attachment D

Application: **2012075 - TRIP 2012 - City of Barstow**
 Borrower: **City of Barstow**
 Facility #1: **City of Barstow**

PUBLIC BENEFITS

ENVIRONMENT

Energy

- Does the facility exceed Title 24 Standards? ☐ Yes ☐ No ☒ N/A
 If Yes, by what percent? _____ %
 Does the facility have solar(PV) panels? ☐ Yes ☐ No ☒ N/A
 If Yes, what is the size in kWh? _____
 Does the facility purchase carbon credits? ☐ Yes ☐ No ☒ N/A
 If Yes, what is the annual consumption? _____

Water

- Does the facility provide any of the following:
 Efficient Toilets? ☐ Yes ☐ No ☒ N/A
 Water-saving showerheads? ☐ Yes ☐ No ☒ N/A
 Drought tolerant landscaping? ☐ Yes ☐ No ☒ N/A
 Other, specify: _____

Transportation

- Does the entity provide carpooling or mass-transit subsidies? ☐ Yes ☐ No ☒ N/A
 Does the entity maintain a fuel efficient fleet? ☐ Yes ☐ No ☒ N/A

Waste

- Does the project provide recycling facilities? ☐ Yes ☐ No ☒ N/A

WORKFORCE

Employment Creation

Job Type/Description	During Construction	Post Construction
None	0	0

GOVERNMENTAL INFORMATION

Congressional District #	State Senate District #	State Assembly District #
_____	18	34

RESOLUTION NO. 4660-2012

RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF CALIFORNIA COMMUNITIES TRANSPORTATION REVENUE (INSTALLMENT SALE) CERTIFICATES OF PARTICIPATION, SERIES 2012C (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 Barstow (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 of Barstow, 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 motor vehicle fuel tax revenues received by the City from the State of California, and deposited into the Gas Tax Fund, 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 motor vehicle fuel tax revenues received by the City from the State of California, and deposited into the Gas Tax Fund;

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 2012C (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, E. J. De La Rosa & Co., Inc., 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 of Barstow; 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, BE IT RESOLVED BY THE LEGISLATIVE BODY OF THE CITY OF BARSTOW, 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 \$25,000,000, the true interest cost applicable to the interest components of the installment payments shall not exceed 7.00% per annum and the final principal installment due on the Installment Agreement shall be no later than June 1, 2042. 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 I 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 1.25% 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 I Revenues, as a category of Other Available Revenues, as those terms are respectively defined in the Installment Sale Agreement, may be used to make 2012 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 I Revenues to the payment of 2012 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 I 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) Assistant City Manager

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 April, 2012.


Julie Hackbarth-McIntyre, Mayor Pro Tem

ATTEST:


JoAnne V. Cousino, City Clerk



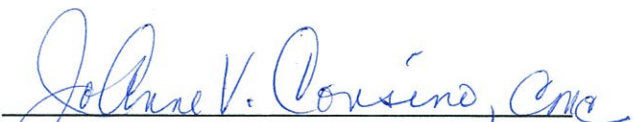
I, JoAnne V. Cousino, City Clerk of the City of Barstow and ex-officio Clerk of the Council, DO HEREBY CERTIFY UNDER PENALTY OF PERJURY that the foregoing is a true and correct copy of Resolution No. 4660-2012 of said Council which was adopted at its regular meeting of April 16, 2012, by the following vote:

AYES: Council Members Saenz, Silva and Mayor Pro Tem
Hackbarth-McIntyre

NOES: Council Member Hailey and Mayor Gomez

ABSENT: None

ABSTAINED: None


JoAnne V. Cousino, City Clerk



AGENDA MATTER:

**CONSIDERATION OF PARTICIPATION IN THE CALIFORNIA COMMUNITIES
FINANCING POOL PROGRAM TO FUND STREET RECONSTRUCTION PROJECTS**

EXECUTIVE SUMMARY:

During the past several years, the City has spent considerable energy and resources to coordinate a program to reconstruct failing streets in the community. In fact, the City has rebuilt around 6.98 miles of streets during the last two years. Furthermore, the City is currently working to complete the reconstruction of the streets located in the projects known as Section I, Section II, Section III, and the Hospital Streets Reconstruction Project. These additional street segments constitute an additional 2.92 miles of streets being rebuilt.

Concurrent to executing our current street reconstruction projects, City staff has been working to complete a comprehensive Pavement Management Study (PMS). That review was recently finished (Attachment A) and it has been determined that around 37.42 miles of City streets are failing and in need of reconstruction. All of the failing streets that are in need of reconstruction were identified in the PMS as being located in seventeen (17) different sections of the City and all told, it is estimated that the cost to reconstruct the failing streets will be \$20.953 million.

Staff has invested a significant amount of time analyzing different options to address the backlog of failing streets in town. Of the alternatives analyzed, staff believes that the City Council should give strong consideration to joining the statewide street financing program called the Total Road Improvement Program (TRIP) offered by the California Statewide Communities Development Authority (California Communities).

DISCUSSION:

As the City Council is well aware, the City currently rebuilds and maintains streets utilizing funding from Measure I Local Transportation Sales Tax funds and Gas Tax funds. Each year, the City receives around \$1.8 million in Measure I dollars and \$650,000 in Gas Tax monies. While these funding sources allow the City to make a significant annual investment to meet street infrastructure needs, the PMS demonstrated that the cost to repair all of the failing streets in Barstow greatly outweighs currently available resources.

If the City were to rely solely on current funding sources, it is anticipated that over the course of the next several years, the City will only be able to reconstruct a small portion of the streets that have been identified as failing in the PMS report.

(continued on Page 2)

RECOMMENDED ACTION:

Staff recommends that the City Council take the following actions:

1. Review the TRIP pooled financing plan and provide staff with comments regarding the City's potential participation in the program.
2. If the City Council determines that the City would like to maintain the option of participating in the TRIP program's August 2012 financing pool, staff recommends the following:
 - a. Adopt Resolution No. _____ (Attachment C) approving the execution and delivery of California Communities Transportation Revenue Certificates of Participation, Series 2012C, approving the form of all financing documents, and authorizing filing of a legal validation action on behalf of the City of Barstow in the San Bernardino Superior Courts.

PROPOSED BY	FUNDS BUDGETED	FUNDS AVAILABLE	MEETING DATE
Oliver Chi <i>OC</i>	N/A	N/A	April 16, 2012
C.M. APPROVAL	AMOUNT REQUIRED	CATEGORY	ITEM NUMBER
Charles C. Mitchell <i>CCM</i>	N/A	City Manager	16

DISCUSSION (CONTINUED):

California Communities Overview

Given the overall situation facing the City, staff has been analyzing a variety of different options to make significant improvements in Barstow's street infrastructure system. Staff believes that one fiscally responsible method through which funding could be raised to pay for reconstructing City streets is the TRIP program offered by California Communities.

California Communities is a joint powers authority (JPA) that was co-founded by the League of California Cities and California State Association of Counties to provide cities and counties access to low-cost, tax-exempt financing programs. Since 2007, California Communities has offered the TRIP program to assist individual cities in the issuance of Certificates of Participation (COPs) that are backed by Gas Tax and / or transportation sales tax in a pooled financing manner.

TRIP Program Overview

Through the TRIP program, Barstow can pledge up to two-thirds (2/3) of future Gas Tax and Measure I revenues through an installment sale agreement with California Communities. California Communities would then issue COPs to raise the funding necessary to reconstruct City streets.

One of the reasons that staff recommends consideration of the TRIP program is due to the fact that the City would have full flexibility under the initiative at anytime to:

1. Downsize or change the COP financing terms
2. Participate in a later financing pool
3. Not issue COPs at all

This means that even if the City Council decided to participate in the program now and then at a later date prior to the issuance of the COPs determined that the City should not participate in the program, Barstow would have the ability to withdraw. Since all the financing costs are contingent on the COPs being issued, the only liability that the City would be exposing itself to by participating in the TRIP program now would be a \$15,000 legal validation fee payable to Orrick, Herrington & Sutcliffe.

In addition to the flexibility of the program, there are several other reasons why staff believes that the City should consider engaging the TRIP financing program, including:

- Current market environment offers outstanding interest rates which would provide more capital funding for the City
 - The most recent TRIP financing program sold COPs on January 31, 2012 and was able to achieve a 4.51% interest rate
- Construction costs are anticipated to increase in the future
 - According to the State Department of General Services, since 2007, construction costs have increased an average of 2.62% annually
- In particular, with the current cost of gas increasing, it is expected that street reconstruction costs will increase even more rapidly than overall construction costs

- With funding raised through the TRIP program, staff will be able to bid out a larger and more comprehensive street reconstruction project
 - The larger project should result in more competitive construction bid responses

Funding Amount That Could Be Raised

If the City Council were to participate in the TRIP financing program, staff would recommend that the City make a commitment of between 15 years and 20 years. Given those timeframes, the City could raise the following amounts for street reconstruction projects:

- With a 15-year commitment at a projected interest rate of 5.25%, the City could raise an estimated \$16,780,000 for use towards street reconstruction projects
- With a 20-year commitment at a projected interest rate of 5.5%, the City could raise an estimated \$19,660,000 for use towards street reconstruction projects

Additional preliminary financing details are included for review as Attachment B.

Under either the 15-year or 20-year scenario, the City would have to pledge two-thirds (2/3) of its Measure I and Gas Tax revenues (approximately \$1,633,333) each year towards financing costs. It is important to note, however, that under either scenario, the City would still have around \$816,667 per year of Measure I and Gas Tax funds for use towards other priority street maintenance / project costs. Table 1 below illustrates these figures in greater detail.

Table 1

Funding Sources	Annual Funding Amount
Gas Tax Revenues	\$650,000
Measure I	\$1,800,000
TOTAL	\$2,450,000

TRIP Pledged Amount - 2/3 of Total	\$ 1,633,333
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Annual Remaining City Funds For Street Projects	\$ 816,667
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Pavement Preservation Program to be Developed

It is worth noting that staff has been working on the development of a comprehensive pavement preservation system to maintain the City streets that have been reconstructed. If the City Council were to participate in the TRIP program to accelerate the reconstruction of failing street infrastructure, staff would simultaneously coordinate a process to implement an overall pavement preservation program based on the principles of the 7-14-21 road maintenance philosophy.

Under this proposed concept, the City would adopt a preventative street maintenance strategy whereby a pavement preservation technique (such as a slurry seal) would be applied to all newly constructed streets roughly every seventh year. As part of this program, staff would also analyze the best way to program future City monies (including Gas Tax, Measure I, and other funding sources) to fully implement a comprehensive pavement preservation system.

Issuance Costs Reduced & Process Streamlined Through TRIP

By coordinating a process through which multiple agencies combine and “pool” their Gas Tax and local transportation sales tax dollars, participants in the TRIP program can achieve economies of scale in financing the cost to repair streets.

Some of the advantages of a pooled financing structure include the following:

- More attractive interest rates based on a larger offering size
- Shared financing costs
- Streamlined documentation
- Being part of a statewide pooled program
- Flexibility to set terms & timing

Also, it is worth noting that California Communities selected all of the financing professionals in the TRIP program via a competitive RFP process and negotiated reduced fees on behalf of its member agencies.

Next Steps

The next TRIP pool is scheduled for August 2012 which will include the cities of Chico and Lynwood. Barstow would have the opportunity to join these two cities in issuing COPs jointly under the TRIP financing program. Of course, no city would be responsible for any other city's obligation under the program.

In order for the City to participate in the August 2012 pool, the City Council would have to authorize Barstow's participation in the program tonight. The primary driver of the timeframe for participating in the August 2012 pool is due to the fact that the financing structure and pledge of Measure I and Gas Tax revenues must be judicially validated pursuant to proceedings commenced in the Superior Court of the County of San Bernardino. That validation process takes 90 days. Therefore, in order for participation in the August 2012 pool to be available as an option for City Council consideration, staff would need authorization to proceed this evening.

STREET COMMITTEE REVIEW:

This item was discussed at the Street Committee meeting held on April 4, 2012. The Committee agreed that the City Council should consider participating in the TRIP program and noted that the City should simultaneously coordinate a comprehensive pavement preservation management program.

FISCAL IMPACT:

15-Year Commitment

Assuming a commitment of 15-years, the City could issue \$16.78 million of COPs. That financing would generate about \$14.85 million in proceeds for street projects, \$1.63 million to establish a reserve fund, and around \$297,889 to pay for financing fees. The \$16.78 million of COPs would be repaid over 15 years with annual payments of about \$1.63 million. It is projected that the annual payments will be paid from Measure I and Gas Tax revenues. Combined, the City currently collects about \$2.45 million from these two local funding sources. These revenues are expected to grow steadily over time based on population and sales tax growth in the City and San Bernardino County.

20-Year Commitment

Assuming a commitment of 20-years, the City could issue \$19.66 million of COPs. That financing would generate about \$17.71 million in proceeds for street projects, \$1.63 million to establish a reserve fund, and around \$323,330 to pay for financing fees. The \$19.66 million of COPs would be repaid over 20 years with annual payments of about \$1.63 million. It is projected that the annual payments will be paid from Measure I and Gas Tax revenues. Combined, the City currently collects about \$2.45 million from these two local funding sources. These revenues are expected to grow steadily over time based on population and sales tax growth in the City and San Bernardino County.

It is important to note that under either the 15-year or 20-year scenario, the City would still have \$816,667 per year of Measure I and Gas Tax funds for use towards other street maintenance / project costs.

In addition, as noted above in the report, the TRIP program gives the City Council full flexibility in determining Barstow's participation in the program. This means that the City Council could decide to move forward tonight and still at a later date, prior to the issuance of the COPs, withdraw the City's participation from the program. If that scenario were to occur, the only cost that City would be responsible for would be a \$15,000 legal validation fee.

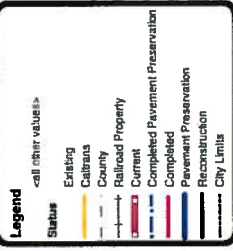


PAVEMENT MANAGEMENT SYSTEM

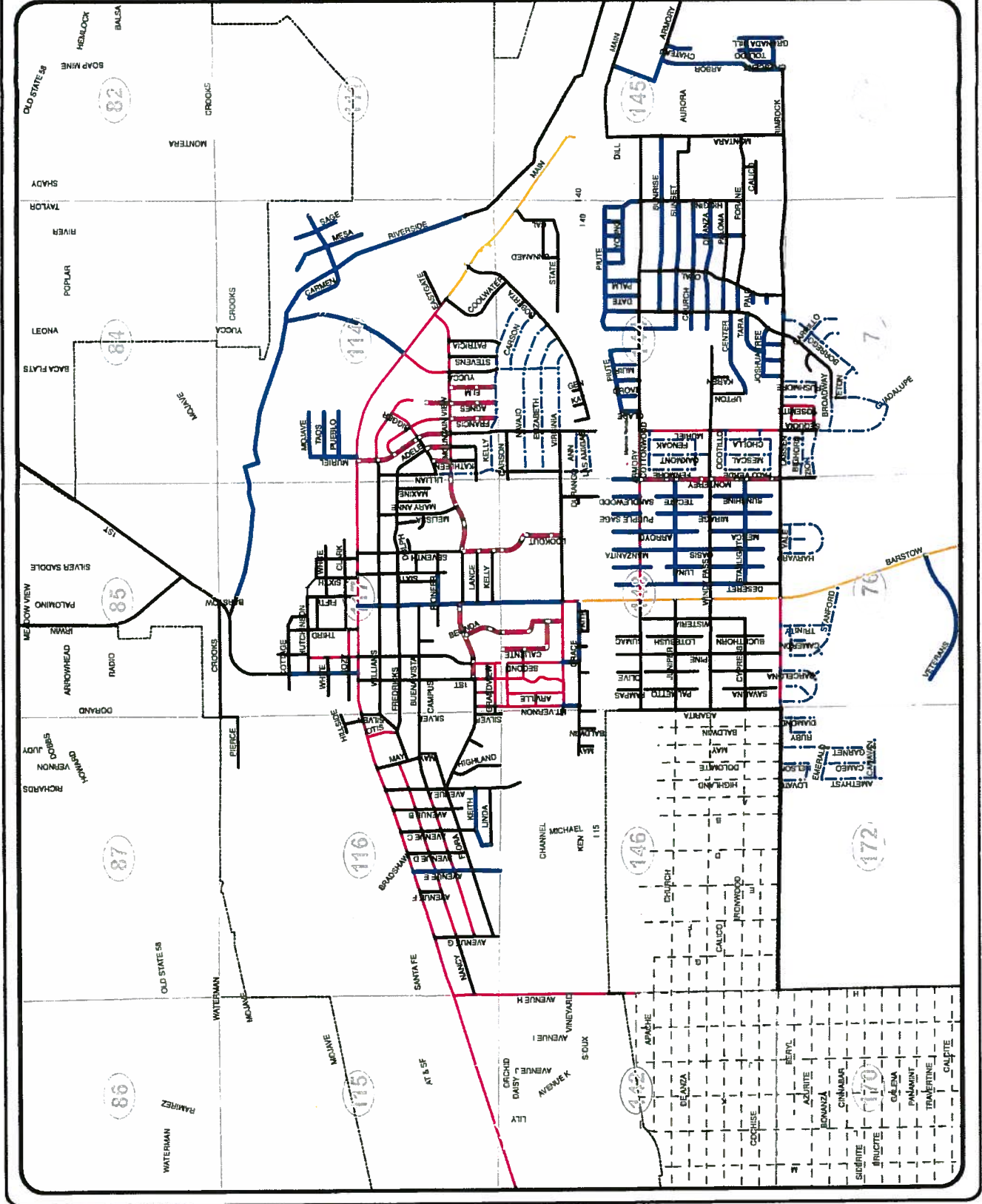
T.R.I.P. – TOTAL ROAD IMPROVEMENT POOLED FINANCING PROGRAM

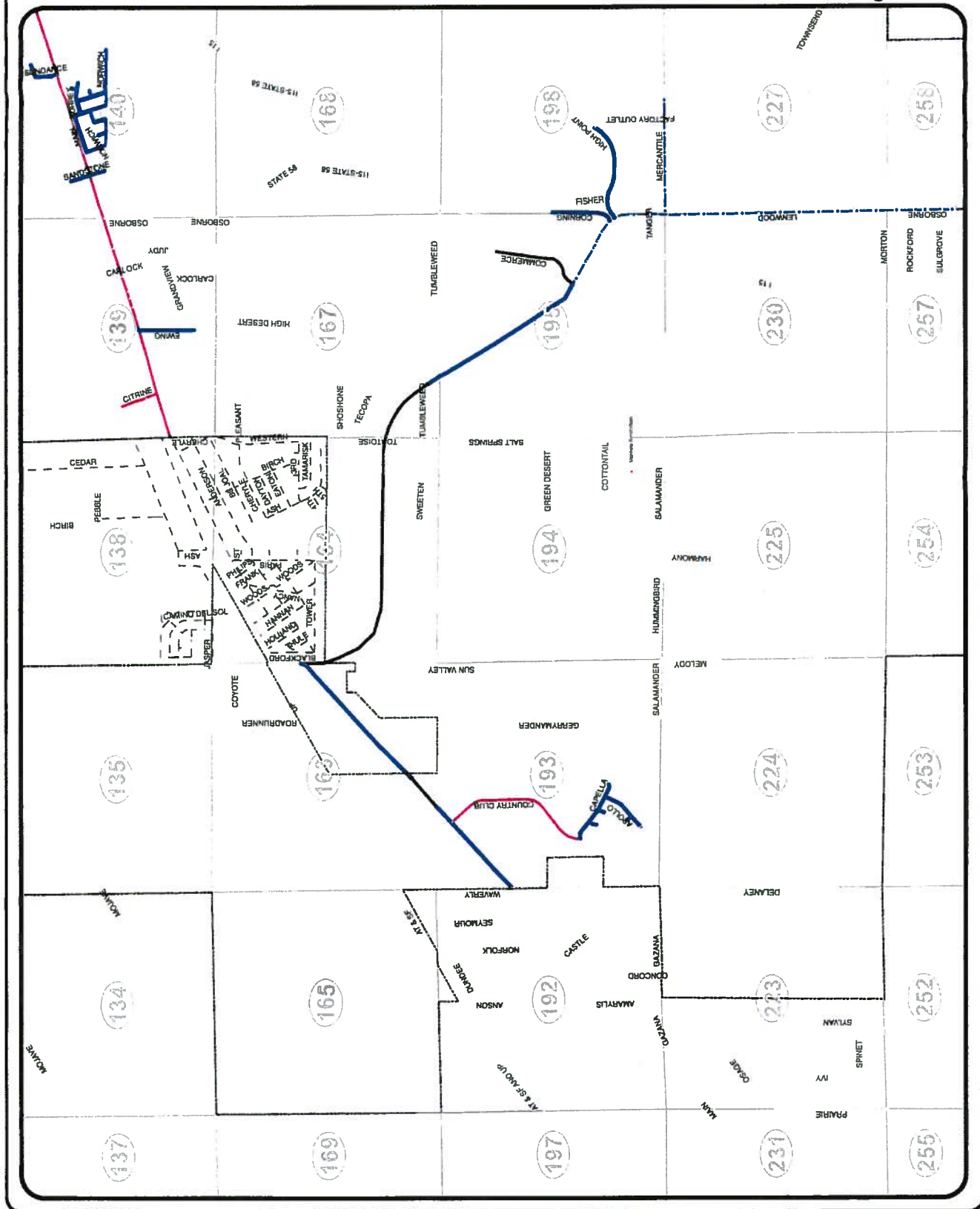
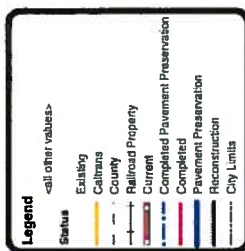


Pavement Management System



Engineering Division
Enterprise GIS Data





PAVEMENT MANAGEMENT SYSTEM Reconstruction

MAP SECTION: 114

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
ADELE DR	MTN VIEW ST	LANCE DR	445	32	Reconstruction	0.08	\$47,196.97
BIGGER ST	ADELE DR	KATHLEEN DR	244	30	Reconstruction	0.05	\$25,878.79
BIGGER ST	KATHLEEN DR	LILLIAN DR	248	30	Reconstruction	0.05	\$26,303.03
BIGGER ST	ADELE DR	MURIEL DR	217	38	Reconstruction	0.04	\$23,015.15
COOLWATER LN	MAIN ST	ROBERTA ST	1495	37	Reconstruction	0.28	\$158,560.61
EASTGATE RD	MAIN ST	EASTGATE END	645	50	Reconstruction	0.12	\$68,409.09
KATHLEEN DR	MTN VIEW ST	LANCE DR	445	28	Reconstruction	0.08	\$47,196.97
KELLY DR	LILLIAN DR	MURIEL DR	670	37	Reconstruction	0.13	\$71,060.61
LANCE DR	ADELE DR	KATHLEEN DR	289	29	Reconstruction	0.05	\$30,651.52
LANCE DR	LILLIAN DR	LILLIAN END	115	29	Reconstruction	0.02	\$12,196.97
LANCE DR	KATHLEEN DR	LILLIAN DR	234	29	Reconstruction	0.04	\$24,818.18
PATRICIA AVE	MTN VIEW ST	KELLY DR	920	37	Reconstruction	0.17	\$97,575.76
STEVENS AVE	MTN VIEW ST	KELLY DR	842	37	Reconstruction	0.16	\$89,303.03
SECTION 114 TOTAL:						1.29	\$722,166.67

MAP SECTION: 116

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
ALLEY BTWN NANCY S	MAY AVE	AVE A	538	16	Reconstruction	0.10	\$57,060.61
ALLEY BTWN W. MAIN	MAY AVE	AVE A	445	15	Reconstruction	0.08	\$47,196.97
ALLEY BTWN W. MAIN	AVE F	AVE F END	673	17	Reconstruction	0.13	\$71,378.79
ALLEY BTWN W. MAIN	AVE E	AVE F	358	16	Reconstruction	0.07	\$37,969.70
ALLEY BTWN W. MAIN	AVE C	AVE D	364	18	Reconstruction	0.07	\$38,606.06
ALLEY BTWN W. MAIN	AVE B	AVE C	367	18	Reconstruction	0.07	\$38,924.24
ALLEY BTWN W. MAIN	AVE G	AVE H	1091	18	Reconstruction	0.21	\$115,712.12
ALLEY BTWN W. MAIN	AVE A	AVE B	348	18	Reconstruction	0.07	\$36,909.09
AVE C	NANCY ST	MAIN ST	355	39	Reconstruction	0.07	\$37,651.52
AVE C	BUENA VISTA ST	NANCY ST	313	39	Reconstruction	0.06	\$33,196.97
AVE C	FLORA ST	BUENA VISTA ST	313	39	Reconstruction	0.06	\$33,196.97
AVE C	KEITH ST	FLORA ST	262	39	Reconstruction	0.05	\$27,787.88
AVE A	LINDA LN	A AVE CUL-DE-SAC	585	45	Reconstruction	0.11	\$62,045.45
AVE A	KEITH ST	LINDA LN	285	37	Reconstruction	0.05	\$30,227.27
AVE A	FLORA ST	KEITH ST	515	37	Reconstruction	0.10	\$54,621.21
AVE A	MAIN ST	NANCY ST	401	37	Reconstruction	0.08	\$42,530.30
AVE A	NANCY ST	BUENA VISTA ST	347	37	Reconstruction	0.07	\$36,803.03
AVE A	BUENA VISTA ST	FLORA ST	420	37	Reconstruction	0.08	\$44,545.45
AVE B	FLORA ST	AVE B CUL-DE-SAC	153	40	Reconstruction	0.03	\$16,227.27
AVE B	BUENA VISTA ST	FLORA ST	315	40	Reconstruction	0.06	\$33,409.09
AVE B	MAIN ST	NANCY ST	367	40	Reconstruction	0.07	\$38,924.24
AVE B	NANCY ST	BUENA VISTA ST	367	40	Reconstruction	0.07	\$38,924.24
AVE D	NANCY ST	MAIN ST	355	37	Reconstruction	0.07	\$37,651.52
AVE D	BUENA VISTA ST	NANCY ST	315	37	Reconstruction	0.06	\$33,409.09
AVE D	FLORA ST	BUENA VISTA ST	318	37	Reconstruction	0.06	\$33,727.27
AVE F	NANCY ST	MAIN ST	354	39	Reconstruction	0.07	\$37,545.45
AVE G	FLORA ST	BUENA VISTA ST	373	41	Reconstruction	0.07	\$39,560.61
AVE G	BUENA VISTA ST	NANCY ST	348	41	Reconstruction	0.07	\$36,909.09
AVE G	NANCY ST	MAIN ST	373	41	Reconstruction	0.07	\$39,560.61
AVE G	FLORA ST	AVE G CUL-DE-SAC	160	38	Reconstruction	0.03	\$16,969.70
BRADSHAW DR	MAIN ST	SANTA FE DR	645	30	Reconstruction	0.12	\$68,409.09
BUENA VISTA ST	1ST AVE	MAY AVE	1455	39	Reconstruction	0.28	\$154,318.18
BUENA VISTA ST	MAY AVE	AVE A	590	39	Reconstruction	0.11	\$62,575.76

DILLINGHAM DR	MAIN ST	HILLSIDE	278	25	Reconstruction	0.05	\$29,484.85
FLORA ST	AVE D	AVE C	412	37	Reconstruction	0.08	\$43,696.97
FLORA ST	AVE A	MAY ST	630	37	Reconstruction	0.12	\$66,818.18
FLORA ST	AVE B	AVE A	400	37	Reconstruction	0.08	\$42,424.24
FLORA ST	AVE C	AVE B	421	37	Reconstruction	0.08	\$44,651.52
FLORA ST	AVE G	AVE E	1255	35	Reconstruction	0.24	\$133,106.06
FLORA ST	AVE E	AVE D	335	37	Reconstruction	0.06	\$35,530.30
FREDRICKS ST	OTIS AVE	1ST AVE	975	34	Reconstruction	0.18	\$103,409.09
FREDRICKS ST	MAY ST	OTIS AVE	556	34	Reconstruction	0.11	\$58,969.70
H ST	MAIN ST	SANTA FE YARD	555	40	Reconstruction	0.11	\$58,863.64
HIGHLAND AVE	MTN VIEW ST	HIGHLAND CUL-DE-SAC	1020	27	Reconstruction	0.19	\$108,181.82
LINDA LN	AVE A	KEITH ST	1185	37	Reconstruction	0.22	\$125,681.82
MAY AVE	FLORA ST	BUENA VISTA ST	283	37	Reconstruction	0.05	\$30,015.15
MAY ST	NANCY ST	MAIN ST	398	29	Reconstruction	0.08	\$42,212.12
MAY ST	FREDRICKS ST	NANCY ST	158	29	Reconstruction	0.03	\$16,757.58
MAY ST	BUENA VISTA ST	FREDRICKS ST	215	29	Reconstruction	0.04	\$22,803.03
MTN VIEW ST	SILVER LN	HIGHLAND AVE	1190	37	Reconstruction	0.23	\$126,212.12
MTN VIEW ST	HIGHLAND AVE	AVE A	280	37	Reconstruction	0.05	\$29,696.97
NANCY ST	AVE H	AVE G	1081	37	Reconstruction	0.20	\$114,651.52
PIERCE ST	CROOKS ST	PIERCE ST END	1110	30	Reconstruction	0.21	\$117,727.27
SANTA FE DR	BRADSHAW DR	SANTA FE END	2010	31	Reconstruction	0.38	\$213,181.82
SILVER LN	WILLIAMS ST	SILVER LN END	160	19	Reconstruction	0.03	\$16,969.70
WILLIAMS ST	SILVER LN	FREDRICKS ST	385	33	Reconstruction	0.07	\$40,833.33
SECTION 116 TOTAL:							\$3,156,363.64

MAP SECTION: 117

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
1ST AVE	HUTCHINSON ST	IRWIN RD	3480	37	Reconstruction	0.66	\$369,090.91
1ST AVE	MAIN ST	WILLIAMS ST	380	39	Reconstruction	0.07	\$40,303.03
1ST AVE	OLD HWY 58	IRWIN RD	4135	37	Reconstruction	0.78	\$438,560.61
1ST AVE	BUENA VISTA ST	MTN VIEW ST	1010	39	Reconstruction	0.19	\$107,121.21
1ST AVE	FREDRICKS ST	BUENA VISTA ST	367	39	Reconstruction	0.07	\$38,924.24
1ST AVE	WILLIAMS ST	FREDRICKS ST	375	39	Reconstruction	0.07	\$39,772.73
2ND AVE	MAIN ST	WILLIAMS ST	365	35	Reconstruction	0.07	\$38,712.12
2ND AVE	MAIN ST	COZY LANE	125	44	Reconstruction	0.02	\$13,257.58
2ND AVE	WHITE ST	HUTCHINSON ST	345	44	Reconstruction	0.07	\$36,590.91
2ND AVE	COZY LANE	WHITE ST	412	44	Reconstruction	0.08	\$43,696.97
2ND AVE	WILLIAMS ST	FREDRICKS ST	363	35	Reconstruction	0.07	\$38,500.00
2ND AVE	HUTCHINSON ST	COTTAGE ST	319	44	Reconstruction	0.06	\$33,833.33
2ND AVE	MTN VIEW ST	BUENA VISTA ST	1025	36	Reconstruction	0.19	\$108,712.12
2ND AVE	BUENA VISTA ST	FREDRICKS ST	373	36	Reconstruction	0.07	\$39,560.61
2ND AVE	COTTAGE ST	ROAD END N/O	122	44	Reconstruction	0.02	\$12,939.39
3RD AVE	MAIN ST	CLARK ST	185	31	Reconstruction	0.04	\$19,621.21
3RD AVE	CLARK ST	HUTCHINSON ST	705	31	Reconstruction	0.13	\$74,772.73
3RD AVE	COTTAGE ST	HUTCHINSON ST	325	29	Reconstruction	0.06	\$34,469.70
4TH AVE	HUTCHINSON ST	CUL-DE-SAC N/O	170	36	Reconstruction	0.03	\$18,030.30
5TH AVE	CLARK ST	WHITE ST	366	37	Reconstruction	0.07	\$38,818.18
5TH AVE	WHITE ST	HUTCHINSON ST	342	37	Reconstruction	0.06	\$36,272.73
5TH AVE	MAIN ST	CLARK ST	201	37	Reconstruction	0.04	\$21,318.18
6TH AVE	CLARK ST	WHITE ST	337	37	Reconstruction	0.06	\$35,742.42
6TH AVE	WHITE ST	HUTCHINSON ST	178	37	Reconstruction	0.03	\$18,878.79
6TH AVE	BUENA VISTA ST	PIONEER ST	385	37	Reconstruction	0.07	\$40,833.33
6TH AVE	FREDRICKS ST	BUENA VISTA ST	353	37	Reconstruction	0.07	\$37,439.39
6TH AVE	WILLIAMS ST	FREDRICKS ST	353	37	Reconstruction	0.07	\$37,439.39
6TH AVE	MAIN ST	WILLIAMS ST	375	37	Reconstruction	0.07	\$39,772.73
6TH AVE	FREDRICKS ST	BUENA VISTA ST	353	37	Reconstruction	0.07	\$37,439.39
6TH AVE	PIONEER ST	6TH AVE CUL-DE-SAC	116	37	Reconstruction	0.02	\$12,303.03
6TH AVE	MAIN ST	CLARK ST	205	37	Reconstruction	0.04	\$21,742.42
7TH AVE	CLARK ST	WHITE ST	182	37	Reconstruction	0.03	\$19,303.03
7TH AVE	MTN VIEW ST	LANCE DR	260	37	Reconstruction	0.05	\$27,575.76

7TH AVE	WILLIAMS ST	MAIN ST	376	37	Reconstruction	0.07	\$39,878.79
7TH AVE	WHITE ST	HUTCHINSON ST	215	37	Reconstruction	0.04	\$22,803.03
7TH AVE	MTN VIEW ST	PIONEER ST	445	37	Reconstruction	0.08	\$47,196.97
7TH AVE	PIONEER ST	BUENA VISTA ST	405	37	Reconstruction	0.08	\$42,954.55
7TH AVE	MAIN ST	CLARK ST	205	37	Reconstruction	0.04	\$21,742.42
7TH AVE	BUENA VISTA ST	FREDRICKS ST	350	37	Reconstruction	0.07	\$37,121.21
7TH AVE	FREDRICKS ST	WILLIAMS ST	350	37	Reconstruction	0.07	\$37,121.21
ALLEY BTWN FREDRICK	1ST AVE	1ST AVE END	775	18	Reconstruction	0.15	\$82,196.97
ALLEY BTWN MAIN ST	1ST AVE	SILVER LN	611	15	Reconstruction	0.12	\$64,803.03
ALLEY BTWN WILLIAM	1ST AVE	1ST AVE END	550	15	Reconstruction	0.10	\$58,333.33
ALLEY BTWN 1ST AV &	COZY LANE	WHITE ST	368	17	Reconstruction	0.07	\$39,030.30
ALLEY BTWN 1ST AVE	WHITE ST	HUTCHINSON ST	303	17	Reconstruction	0.06	\$32,136.36
ALLEY BTWN CLARK ST	FIFTH ST	SIXTH ST	305	18	Reconstruction	0.06	\$32,348.48
ALLEY BTWN E. MAIN S	BARSTOW RD	SECOND AVE	893	30	Reconstruction	0.17	\$94,712.12
ALLEY BTWN E. MAIN S	SIXTH ST	SEVENTH ST	328	20	Reconstruction	0.06	\$34,787.88
ALLEY BTWN FREDRICK	BARSTOW RD	SECOND AVE	915	18	Reconstruction	0.17	\$97,045.45
ALLEY BTWN FREDRICK	1ST AVE	2ND AVE	400	18	Reconstruction	0.08	\$42,424.24
ALLEY BTWN WHITE ST	FIFTH ST	SIXTH ST	310	15	Reconstruction	0.06	\$32,878.79
ALLEY BTWN WILLIAMS	MELISSA AVE	WILLIAMS ST	721	21	Reconstruction	0.14	\$76,469.70
ALLEY BTWN WILLIAMS	BARSTOW RD	SECOND AVE	910	18	Reconstruction	0.17	\$96,515.15
ALLEY BTWN. FREDRIC	1ST AVE	2ND AVE	400	15	Reconstruction	0.08	\$42,424.24
ALLEY N/O HUTCHINSON	1ST AVE	2ND AVE	315	18	Reconstruction	0.06	\$33,409.09
BUENA VISTA ST	PORTALES CT	BARSTOW RD	648	37	Reconstruction	0.12	\$68,727.27
BUENA VISTA ST	2ND AVE	PORTALES CT	281	37	Reconstruction	0.05	\$29,803.03
BUENA VISTA ST	6TH AVE	7TH AVE	343	35	Reconstruction	0.06	\$36,378.79
BUENA VISTA ST	1ST AVE	2ND AVE	400	39	Reconstruction	0.08	\$42,424.24
CLARK ST	3RD AVE	5TH AVE	572	37	Reconstruction	0.11	\$60,666.67
CLARK ST	5TH AVE	6TH AVE	320	37	Reconstruction	0.06	\$33,939.39
CLARK ST	6TH AVE	7TH AVE	313	37	Reconstruction	0.06	\$33,196.97
CLARK ST	7TH AVE	CLARK END	17	37	Reconstruction	0.00	\$1,803.03
COLLINS CT	FREDRICKS ST	COLLINS CUL-DE-SAC	350	35	Reconstruction	0.07	\$37,121.21
COTTAGE ST	2ND AVE	COTTAGE ST END	312	36	Reconstruction	0.06	\$33,090.91
COTTAGE ST	2ND AVE	3RD AVE	570	35	Reconstruction	0.11	\$60,454.55
COZY LANE	2ND AVE	1ST AVE	264	18	Reconstruction	0.05	\$28,000.00
COZY LANE	1ST AVE	COZY LANE END	363	18	Reconstruction	0.07	\$38,500.00

CROOKS ST	CROOKS ST	1ST AVE	170	30	Reconstruction	0.03	\$18,030.30
CROOKS ST	RIVERSIDE DR	PIERCE ST	2440	37	Reconstruction	0.46	\$258,787.88
DOLPH CT	7TH AVE	DOLPH CUL-DE-SAC	246	35	Reconstruction	0.05	\$26,090.91
FREDRICKS ST	WILSHIRE	6TH AVE	139	38	Reconstruction	0.03	\$14,742.42
FREDRICKS ST	BARSTOW RD	2ND AVE	920	37	Reconstruction	0.17	\$97,575.76
FREDRICKS ST	6TH AVE	7TH AVE	343	38	Reconstruction	0.06	\$36,378.79
FREDRICKS ST	MELISSA AVE	COLLINS CT	135	38	Reconstruction	0.03	\$14,318.18
FREDRICKS ST	COLLINS CT	7TH AVE	525	38	Reconstruction	0.10	\$55,681.82
FREDRICKS ST	MAXINE	MARY ANNE	248	37	Reconstruction	0.05	\$26,303.03
FREDRICKS ST	LILLIAN DR	MAXINE	253	27	Reconstruction	0.05	\$26,833.33
FREDRICKS ST	MARY ANNE	LILLIAN DR	231	37	Reconstruction	0.04	\$24,500.00
FREDRICKS ST	BARSTOW RD	WILSHIRE	412	38	Reconstruction	0.08	\$43,696.97
FREDRICKS ST	2ND AVE	1ST AVE	404	34	Reconstruction	0.08	\$42,848.48
GRANDVIEW DR	MT VERNON AVE	SILVER LN	100	28	Reconstruction	0.02	\$10,606.06
HUTCHINSON ST	3RD AVE	4TH AVE	258	36	Reconstruction	0.05	\$27,363.64
HUTCHINSON ST	2ND AVE	3RD AVE	481	36	Reconstruction	0.09	\$51,015.15
HUTCHINSON ST	4TH AVE	5TH AVE	360	36	Reconstruction	0.07	\$38,181.82
HUTCHINSON ST	5TH AVE	6TH AVE	420	37	Reconstruction	0.08	\$44,545.45
HUTCHINSON ST	6TH AVE	7TH AVE	413	37	Reconstruction	0.08	\$43,803.03
HUTCHINSON ST	1ST AVE	2ND AVE	319	36	Reconstruction	0.06	\$33,833.33
KELLY DR	BARSTOW RD	7TH AVE	936	37	Reconstruction	0.18	\$99,272.73
LANCE DR	BARSTOW RD	7TH AVE	936	37	Reconstruction	0.18	\$99,272.73
MARY ANNE	FREDRICKS ST	MARY ANNE CUL-DE-SAC	590	37	Reconstruction	0.11	\$62,575.76
MAXINE	FREDRICKS ST	MAXINE CUL-DE-SAC	282	38	Reconstruction	0.05	\$29,909.09
MELISSA CT	MELISSA AVE	MELISSA CT CUL-DE-SAC	314	37	Reconstruction	0.06	\$33,303.03
MELISSA AVE	MELISSA CT	FREDRICKS ST	502	37	Reconstruction	0.10	\$53,242.42
MELISSA AVE	FREDRICKS ST	WILLIAMS ST	317	37	Reconstruction	0.06	\$33,621.21
MELISSA AVE	MTN VIEW ST	MELISSA CT	633	37	Reconstruction	0.12	\$67,136.36
MTN VIEW ST	ARVILLE AVE	MT VERNON AVE	252	37	Reconstruction	0.05	\$26,727.27
MTN VIEW ST	1ST AVE	ARVILLE AVE	230	37	Reconstruction	0.04	\$24,393.94
MTN VIEW ST	2ND AVE	1ST AVE	252	37	Reconstruction	0.05	\$26,727.27
MTN VIEW ST	MT VERNON AVE	SILVER LN	146	37	Reconstruction	0.03	\$15,484.85
PALLESI	3RD AVE	5TH AVE	575	25	Reconstruction	0.11	\$60,984.85
PORTALES CT	BUENA VISTA ST	PORTALES CUL-DE-SAC	275	66	Reconstruction	0.05	\$29,166.67
POWELL CT	7TH AVE	POWELL CUL-DE-SAC	196	35	Reconstruction	0.04	\$20,787.88

SILVER LN	GRANDVIEW DR	MTN VIEW ST	455	30	Reconstruction	0.09	\$48,257.58
WHITE ST	5TH AVE	6TH AVE	320	37	Reconstruction	0.06	\$33,939.39
WHITE ST	2ND AVE	1ST AVE	259	35	Reconstruction	0.05	\$27,469.70
WHITE ST	6TH AVE	7TH AVE	300	20	Reconstruction	0.06	\$31,818.18
WHITE ST	1ST AVE	WHITE ST END	505	25	Reconstruction	0.10	\$53,560.61
WILLIAMS ST	2ND AVE	BARSTOW RD	912	37	Reconstruction	0.17	\$96,727.27
WILLIAMS ST	2ND AVE	1ST AVE	407	33	Reconstruction	0.08	\$43,166.67
WILLIAMS ST	6TH AVE	7TH AVE	343	38	Reconstruction	0.06	\$36,378.79
WILLIAMS ST	LILLIAN DR	MURIEL DR	260	34	Reconstruction	0.05	\$27,575.76
WILLIAMS ST	7TH AVE	MELISSA AVE	669	38	Reconstruction	0.13	\$70,954.55
WILLIAMS ST	BARSTOW RD	6TH AVE	552	38	Reconstruction	0.10	\$58,545.45
WILLIAMS ST	1ST AVE	SILVER LN	645	33	Reconstruction	0.12	\$68,409.09
WILLIAMS ST	MELISSA AVE	LILLIAN DR	777	38	Reconstruction	0.15	\$82,409.09
WILSHIRE	FREDRICKS ST	WILSHIRE CUL-DE-SAC	545	33	Reconstruction	0.10	\$57,803.03
SECTION 117 TOTAL:			10.60				\$5,938,545.45

MAP SECTION: 139

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
CARLOCK RD	FRONTAGE RD	CARLOCK RD END	105	40	Reconstruction	0.02	\$11,136.36
ELKS LN	MAIN ST	ELKS LN END	340	40	Reconstruction	0.06	\$36,060.61
SECTION 139 TOTAL:						0.08	\$47,196.97

MAP SECTION: 140

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
SOLAR WAY	SUNDANCE LN	SOLAR WAY END	384	37	Reconstruction	0.07	\$40,727.27
SECTION 140 TOTAL:						0.07	\$40,727.27

MAP SECTION: 142

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
AVE J	MAIN ST	AVE J END	230	36	Reconstruction	0.04	\$24,393.94
LAVERNE AVE	MAIN ST	LAVERNE AVE END	175	37	Reconstruction	0.03	\$18,560.61
VINEYARD ST	H ST	AVE I	600	37	Reconstruction	0.11	\$63,636.36
SECTION 142 TOTAL:						0.19	\$106,590.91

MAP SECTION: 144

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
ARMORY RD	OPAL AVE	BROADWAY AVE	758	61	Reconstruction	0.14	\$80,393.94
ARMORY RD	OPAL AVE	HIGGINS RD	1312	56	Reconstruction	0.25	\$139,151.52
ARMORY RD	BROADWAY AVE	MCBROOM AVE	334	61	Reconstruction	0.06	\$35,424.24
ARMORY RD	MCBROOM AVE	FOREST AVE	401	61	Reconstruction	0.08	\$42,530.30
ARMORY RD	FOREST AVE	MOSS AVE	580	61	Reconstruction	0.11	\$61,515.15
ARMORY RD	GLADE AVE	MURIEL DR	343	61	Reconstruction	0.06	\$36,378.79
ARMORY RD	MOSS AVE	GLADE AVE	582	61	Reconstruction	0.11	\$61,727.27
AURORA WAY	MONTARA RD	SUNSET ST	281	37	Reconstruction	0.05	\$29,803.03
BROADWAY AVE	PALOMA ST	DE ANZA ST	305	60	Reconstruction	0.06	\$32,348.48
BROADWAY AVE	CHURCH ST	SUNSET ST	293	60	Reconstruction	0.06	\$31,075.76
BROADWAY AVE	SUNRISE RD	ARMORY RD	345	60	Reconstruction	0.07	\$36,590.91
BROADWAY AVE	TARA ST	FORANE ST	150	60	Reconstruction	0.03	\$15,909.09
BROADWAY AVE	DE ANZA ST	CHURCH ST	293	60	Reconstruction	0.06	\$31,075.76
BROADWAY AVE	RIMROCK RD	JOSHUA TREE DR	276	43	Reconstruction	0.05	\$29,272.73
BROADWAY AVE	SUNSET ST	SUNRISE RD	301	60	Reconstruction	0.06	\$31,924.24
BROADWAY AVE	FORANE ST	PALOMA ST	287	60	Reconstruction	0.05	\$30,439.39
CAL AVE	MAIN ST	STATE ST	722	35	Reconstruction	0.14	\$76,575.76
CENTER LN	STATE ST	CENTER ST	295	19	Reconstruction	0.06	\$31,287.88
CENTER ST	CENTER LN	CAL AVE	888	20	Reconstruction	0.17	\$94,181.82
CENTER ST	BROADWAY AVE	UPTON DR	1593	37	Reconstruction	0.30	\$168,954.55
CHURCH ST	HIGGINS RD	OPAL AVE	1273	37	Reconstruction	0.24	\$135,015.15
DE ANZA ST	HIGGINS RD	OPAL AVE	1282	37	Reconstruction	0.24	\$135,969.70
FORANE ST	HIGGINS RD	OPAL AVE	1565	37	Reconstruction	0.30	\$165,984.85
GEN CT	ROBERTA ST	GEN CT CUL-DE-SAC	159	37	Reconstruction	0.03	\$16,863.64
KAREN CT	WINDY PASS	KAREN CT CUL-DE-SAC	268	37	Reconstruction	0.05	\$28,424.24
KAY CT	ROBERTA ST	KAY CT CUL-DE-SAC	206	37	Reconstruction	0.04	\$21,848.48
MURIEL DR	ZION DR	RIMROCK RD	558	55	Reconstruction	0.11	\$59,181.82
MURIEL DR	NAVAJO ST	ELIZABETH ST	328	37	Reconstruction	0.06	\$34,787.88
MURIEL DR	CARSON ST	NAVAJO ST	332	37	Reconstruction	0.06	\$35,212.12
MURIEL DR	ARMORY RD	VIRGINIA WAY	1545	37	Reconstruction	0.29	\$163,863.64
MURIEL DR	KELLY DR	CARSON ST	304	37	Reconstruction	0.06	\$32,242.42
MURIEL DR	ELIZABETH ST	VIRGINIA WAY	314	37	Reconstruction	0.06	\$33,303.03
MURIEL DR	BROADWAY AVE	ZION DR	305	55	Reconstruction	0.06	\$32,348.48

MURIEL DR	KELLY DR	MTN VIEW ST	742	37	Reconstruction	0.14	\$78,696.97
RIMROCK RD	OPAL AVE	BROADWAY AVE	750	60	Reconstruction	0.14	\$79,545.45
RIMROCK RD	MONTARA RD	OPAL AVE	3055	50	Reconstruction	0.58	\$324,015.15
ROBERTA CT	ROBERTA ST	ROBERTA CT CUL-DE-SAC	269	37	Reconstruction	0.05	\$28,530.30
ROBERTA ST	KELLY DR	CARSON ST	291	37	Reconstruction	0.06	\$30,863.64
ROBERTA ST	COOLWATER LN	KELLY DR	536	37	Reconstruction	0.10	\$56,848.48
ROBERTA ST	CARSON ST	NAVAJO ST	315	37	Reconstruction	0.06	\$33,409.09
ROBERTA ST	NAVAJO ST	ELIZABETH ST	318	37	Reconstruction	0.06	\$33,727.27
ROBERTA ST	ELIZABETH ST	VIRGINIA WAY	324	37	Reconstruction	0.06	\$34,363.64
ROBERTA ST	VIRGINIA WAY	GEN CT	740	37	Reconstruction	0.14	\$78,484.85
ROBERTA ST	GEN CT	KAY CT	283	37	Reconstruction	0.05	\$30,015.15
ROBERTA ST	KAY CT	ROBERTA CT	308	37	Reconstruction	0.06	\$32,666.67
ROBERTA ST	MAIN ST	COOLWATER LN	708	37	Reconstruction	0.13	\$75,090.91
STATE ST	CAL AVE	STATE ST CUL-DE-SAC	1783	45	Reconstruction	0.34	\$189,106.06
UPTON DR	CENTER ST	WINDY PASS	591	37	Reconstruction	0.11	\$62,681.82
WINDY PASS	MURIEL DR	OAKMONT DR	417	37	Reconstruction	0.08	\$44,227.27
WINDY PASS	MURIEL DR	UPTON DR	647	37	Reconstruction	0.12	\$68,621.21
WINDY PASS	UPTON DR	KAREN CT	322	37	Reconstruction	0.06	\$34,151.52
WINDY PASS	KAREN CT	WINDY PASS CUL-DE-SAC	447	37	Reconstruction	0.08	\$47,409.09
YUCCA AVE	CARSON ST	NAVAJO ST	218	37	Reconstruction	0.04	\$23,121.21
YUCCA AVE	ELIZABETH ST	VIRGINIA WAY	290	37	Reconstruction	0.05	\$30,757.58
YUCCA AVE	KELLY DR	MTN VIEW ST	864	37	Reconstruction	0.16	\$91,636.36
YUCCA AVE	KELLY DR	CARSON ST	248	37	Reconstruction	0.05	\$26,303.03
YUCCA AVE	NAVAJO ST	ELIZABETH ST	266	37	Reconstruction	0.05	\$28,212.12
SECTION 144 TOTAL:						6.35	\$3,554,090.91

MAP SECTION: 145

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
ARMORY RD	MONTARA RD	HIGGINS RD	1190	37	Reconstruction	0.23	\$126,212.12
CALICO DR	HIGGINS RD	CALICO DR END	727	37	Reconstruction	0.14	\$77,106.06
DILL RD	MONTARA RD	DILL RD CUL-DE-SAC	670	37	Reconstruction	0.13	\$71,060.61
FORANE ST	MONTARA RD	HIGGINS RD	1214	37	Reconstruction	0.23	\$128,757.58
FRONTAGE RD	ELKS LN	FRONTAGE RD END	2494	40	Reconstruction	0.47	\$264,515.15
GUACO AV	ARBOR WAY	GUACO AV END	109	33	Reconstruction	0.02	\$11,560.61
HALLENMAR AV	FORANE ST	CALICO DR	258	37	Reconstruction	0.05	\$27,363.64
HIGGINS RD	SUNRISE RD	SUNSET ST	299	37	Reconstruction	0.06	\$31,712.12
HIGGINS RD	PALOMA ST	FORANE ST	272	37	Reconstruction	0.05	\$28,848.48
HIGGINS RD	ARMORY RD	SUNRISE RD	333	37	Reconstruction	0.06	\$35,318.18
HIGGINS RD	DE ANZA ST	PALOMA ST	297	37	Reconstruction	0.06	\$31,500.00
HIGGINS RD	CHURCH ST	DE ANZA ST	301	37	Reconstruction	0.06	\$31,924.24
HIGGINS RD	SUNSET ST	CHURCH ST	301	37	Reconstruction	0.06	\$31,924.24
HIGGINS RD	FORANE ST	CALICO DR	295	37	Reconstruction	0.06	\$31,287.88
MAIN ST	CHATEAU WAY	LAVERNE AVE	1810	60	Reconstruction	0.34	\$191,969.70
MONTARA RD	AURORA WAY	SUNRISE RD	602	79	Reconstruction	0.11	\$63,848.48
MONTARA RD	RIMROCK RD	FORANE ST	824	79	Reconstruction	0.16	\$87,393.94
MONTARA RD	ARMORY RD	EAST MAIN ST	555	79	Reconstruction	0.11	\$58,863.64
MONTARA RD	SUNRISE RD	ARMORY RD	381	79	Reconstruction	0.07	\$40,409.09
MONTARA RD	FORANE ST	AURORA WAY	844	79	Reconstruction	0.16	\$89,515.15
PROSPECTOR ST	ARBOR WAY	PROSPECTOR ST EAST EN	125	33	Reconstruction	0.02	\$13,257.58
PROSPECTOR ST	ARBOR WAY	PROSPECTOR ST WEST EN	129	33	Reconstruction	0.02	\$13,681.82
RIMROCK RD	MONTARA RD	GRANADA HILL AV	1855	38	Reconstruction	0.35	\$196,742.42
SUNSET CT	AURORA WAY	SUNSET ST	263	37	Reconstruction	0.05	\$27,893.94

SECTION 145 TOTAL: 3.06 \$1,712,666.67

MAP SECTION: 146

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
BALDWIN LN	GRACE ST	BALDWIN CUL-DE-SAC	300	37	Reconstruction	0.06	\$31,818.18
GRACE ST	BALDWIN LN	MAY AVE	335	37	Reconstruction	0.06	\$35,530.30
GRACE ST	MT VERNON AVE	MT VERNON AVE	115	37	Reconstruction	0.02	\$12,196.97
GRACE ST	MAY AVE	GRACE CUL-DE-SAC	194	37	Reconstruction	0.04	\$20,575.76
GRACE ST	MT VERNON AVE	BALDWIN LN	335	37	Reconstruction	0.06	\$35,530.30
MAY AVE	GRACE ST	MAY CUL-DE-SAC	260	37	Reconstruction	0.05	\$27,575.76
SECTION 146 TOTAL:						0.29	\$163,227.27

MAP SECTION: 148

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
AGARITA AVE	ARMORY RD	AGARITA AVE END	419	24	Reconstruction	0.08	\$44,439.39
AGARITA AVE	JUNIPER ST	ARMORY RD	625	24	Reconstruction	0.12	\$66,287.88
AGARITA AVE	WINDY PASS	JUNIPER ST	638	24	Reconstruction	0.12	\$67,666.67
AGARITA AVE	CYPRESS DR	WINDY PASS	624	24	Reconstruction	0.12	\$66,181.82
AGARITA AVE	RIMROCK RD	CYPRESS DR	615	24	Reconstruction	0.12	\$65,227.27
ALTA VISTA LN	GRACE ST	ALTA VISTA CUL-DE-SAC	378	37	Reconstruction	0.07	\$40,090.91
ANTELOPE	GRACE ST	FAITH	168	37	Reconstruction	0.03	\$17,818.18
ARMORY RD	SUMAC CT	WISTERIA AVE	329	24	Reconstruction	0.06	\$34,893.94
ARMORY RD	PINE AVE	SUMAC CT	324	24	Reconstruction	0.06	\$34,363.64
ARMORY RD	OLIVE CT	PINE AVE	343	24	Reconstruction	0.06	\$36,378.79
ARMORY RD	PAMPAS CT	OLIVE CT	333	24	Reconstruction	0.06	\$35,318.18
ARMORY RD	WISTERIA AVE	BARSTOW RD	312	35	Reconstruction	0.06	\$33,090.91
ARMORY RD	AGARITA AVE	PAMPAS CT	423	30	Reconstruction	0.08	\$44,863.64
BUCKTHORN DR	CYPRESS DR	BUCKTHORN DR END	306	30	Reconstruction	0.06	\$32,454.55
BUCKTHORN DR	CYPRESS DR	SOUTH					
BUCKTHORN DR	CYPRESS DR	BUCKTHORN DR END	411	24	Reconstruction	0.08	\$43,590.91
CANDLELIGHT ST	TECATE DR	MIRAGE DR	336	37	Reconstruction	0.06	\$35,636.36
CANDLELIGHT ST	MONTEREY AVE	TECATE DR	304	37	Reconstruction	0.06	\$32,242.42
CANDLELIGHT ST	MIRAGE DR	ARROYO DR	329	37	Reconstruction	0.06	\$34,893.94
CANDLELIGHT ST	ARROYO DR	OASIS DR	330	37	Reconstruction	0.06	\$35,000.00
CANDLELIGHT ST	OASIS DR	LUNA DR	330	37	Reconstruction	0.06	\$35,000.00
CANDLELIGHT ST	LUNA DR	DESERET AVE	305	37	Reconstruction	0.06	\$32,348.48
COYOTE LN	GRACE ST	COYOTE CUL-DE-SAC	187	37	Reconstruction	0.04	\$19,833.33
CYPRESS DR	WISTERIA AVE	BUCKTHORN DR	355	30	Reconstruction	0.07	\$37,651.52
CYPRESS DR	PRAIRIE DR	SAVANNA DR	330	24	Reconstruction	0.06	\$35,000.00
CYPRESS DR	SAVANNA DR	AGARITA AVE	376	24	Reconstruction	0.07	\$39,878.79
CYPRESS DR	BUCKTHORN DR	PINE AVE	319	24	Reconstruction	0.06	\$33,833.33
CYPRESS DR	PINE AVE	PRAIRIE DR	309	24	Reconstruction	0.06	\$32,772.73
DESERET AVE	STARLIGHT ST	RIMROCK RD	624	37	Reconstruction	0.12	\$66,181.82
DURANGO	WESTERN WHIP	DURANGO CUL-DE-SAC	278	35	Reconstruction	0.05	\$29,484.85
FAITH	ANTELOPE	GRACE ST	405	18	Reconstruction	0.08	\$42,954.55
JUNIPER ST	PINE AVE	MADRONA DR	332	24	Reconstruction	0.06	\$35,212.12

JUNIPER ST	WISTERIA AVE	LOTEBUSH LN	332	24	Reconstruction	0.06	\$35,212.12
JUNIPER ST	MADRONA DR	PALEMETTO DR	332	24	Reconstruction	0.06	\$35,212.12
JUNIPER ST	LOTEBUSH LN	PINE AVE	332	30	Reconstruction	0.06	\$35,212.12
JUNIPER ST	PALEMETTO DR	AGARITA AVE	380	24	Reconstruction	0.07	\$40,303.03
JUNIPER ST	BARSTOW RD	WISTERIA AVE	312	36	Reconstruction	0.06	\$33,090.91
LOTEBUSH LN	JUNIPER ST	LOTEBUSH LN END NORTH	508	24	Reconstruction	0.10	\$53,878.79
LOTEBUSH LN	JUNIPER ST	LOTEBUSH LN END	461	24	Reconstruction	0.09	\$48,893.94
OLIVE CT	ARMORY RD	OLIVE CT END	464	24	Reconstruction	0.09	\$49,212.12
PALMETTO DR	ARMORY RD	PALMETTO DR END	383	24	Reconstruction	0.07	\$40,621.21
PALMETTO DR	ARMORY RD	PALMETTO DR CUL-DE-SAC	385	24	Reconstruction	0.07	\$40,833.33
PAMPAS CT	ARMORY RD	PAMPAS CT CUL-DE-SAC	419	24	Reconstruction	0.08	\$44,439.39
PINE AVE	ARMORY RD	JUNIPER ST	630	24	Reconstruction	0.12	\$66,818.18
PINE AVE	JUNIPER ST	WINDY PASS	630	24	Reconstruction	0.12	\$66,818.18
PINE AVE	ARMORY RD	PINE AVE END	410	24	Reconstruction	0.08	\$43,484.85
PINE AVE	CYPRESS DR	RIMROCK RD	618	24	Reconstruction	0.12	\$65,545.45
PINE AVE	WINDY PASS	CYPRESS DR	640	24	Reconstruction	0.12	\$67,878.79
PRAIRIE DR	CYPRESS DR	PRAIRIE DR END	490	24	Reconstruction	0.09	\$51,969.70
PRAIRIE DR	CYPRESS DR	WINDY PASS	612	24	Reconstruction	0.12	\$64,909.09
SAVANNA DR	CYPRESS DR	SAVANNA DR END SOUTH	506	24	Reconstruction	0.10	\$53,666.67
SAVANNA DR	CYPRESS DR	SAVANNA DR END NORTH	405	24	Reconstruction	0.08	\$42,954.55
STARLIGHT ST	ASTRAL DR	OASIS DR	328	37	Reconstruction	0.06	\$34,787.88
STARLIGHT ST	OASIS DR	MECCA DR	329	37	Reconstruction	0.06	\$34,893.94
STARLIGHT ST	MECCA DR	MIRAGE DR	328	37	Reconstruction	0.06	\$34,787.88
STARLIGHT ST	MIRAGE DR	SUNSHINE DR	330	37	Reconstruction	0.06	\$35,000.00
STARLIGHT ST	DESERET AVE	ASTRAL DR	305	37	Reconstruction	0.06	\$32,348.48
STARLIGHT ST	SUNSHINE DR	MONTEREY AVE	309	37	Reconstruction	0.06	\$32,772.73
SUMAC CT	ARMORY RD	SUMAC CT END	315	24	Reconstruction	0.06	\$33,409.09
WESTERN WHIP	VIRGINIA WAY	WESTERN WHIP END	144	37	Reconstruction	0.03	\$15,272.73
WINDY PASS	DESERET AVE	BARSTOW RD	242	37	Reconstruction	0.05	\$25,666.67
WINDY PASS	OAKMONT DR	MONTEREY AVE	472	37	Reconstruction	0.09	\$50,060.61
WINDY PASS	MIRAGE DR	MECCA DR	328	37	Reconstruction	0.06	\$34,787.88
WINDY PASS	MECCA DR	OASIS DR	321	37	Reconstruction	0.06	\$34,045.45
WINDY PASS	MONTEREY AVE	MIRAGE DR	661	37	Reconstruction	0.13	\$70,106.06
WINDY PASS	ASTRAL DR	DESERET AVE	330	37	Reconstruction	0.06	\$35,000.00
WINDY PASS	AGARITA AVE	PRAIRIE DR	741	24	Reconstruction	0.14	\$78,590.91

WINDY PASS	WISTERIA AVE	BARSTOW RD	324	30	Reconstruction	0.06	\$34,363.64
WINDY PASS	PINE AVE	WISTERIA AVE	662	24	Reconstruction	0.13	\$70,212.12
WINDY PASS	PRAIRIE DR	PINE AVE	331	24	Reconstruction	0.06	\$35,106.06
WINDY PASS	OASIS DR	ASTRAL DR	340	37	Reconstruction	0.06	\$36,060.61
SECTION 148 TOTAL:							\$2,978,818.18

MAP SECTION: 172							
STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
RIMROCK RD	D ST	E ST	635	12	Reconstruction	0.12	\$67,348.48
RIMROCK RD	E ST	F ST	650	12	Reconstruction	0.12	\$68,939.39
RIMROCK RD	F ST	AVE G	650	12	Reconstruction	0.12	\$68,939.39
RIMROCK RD	AVE G	H ST	635	12	Reconstruction	0.12	\$67,348.48
SECTION 172 TOTAL:							\$272,575.76

MAP SECTION: 176							
STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
MONTEREY AVE	BIGHORN DR	RIMROCK RD	342	37	Reconstruction	0.06	\$36,272.73
MONTEREY AVE	ZION DR	BIGHORN DR	308	37	Reconstruction	0.06	\$32,666.67
RIMROCK RD	MECCA DR	HARVARD DR	412	80	Reconstruction	0.08	\$43,696.97
RIMROCK RD	HARVARD DR	BARSTOW RD	815	80	Reconstruction	0.15	\$86,439.39
SECTION 176 TOTAL:							\$199,075.76

MAP SECTION: 178

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
BIGHORN CT	LASSEN DR	BIGHORN DR	198	37	Reconstruction	0.04	\$21,000.00
BIGHORN DR	MONTEREY AVE	MURIEL DR	833	37	Reconstruction	0.16	\$88,348.48
BROADWAY AVE	RIMROCK RD	CABRILLO DR	355	37	Reconstruction	0.07	\$37,651.52
BROADWAY AVE	GUADALUPE DR	MURIEL DR	602	37	Reconstruction	0.11	\$63,848.48
BROADWAY AVE	CABRILLO DR	BROADWAY CT	232	37	Reconstruction	0.04	\$24,606.06
BROADWAY AVE	BROADWAY CT	GUADALUPE DR	1014	37	Reconstruction	0.19	\$107,545.45
BROADWAY CT	BROADWAY AVE	BROADWAY CT CUL-DE-SAC	414	37	Reconstruction	0.08	\$43,909.09
BRYCE LN	YELLOWSTONE LN	RUSHMORE DR	255	27	Reconstruction	0.05	\$27,045.45
RIMROCK RD	MONTEREY AVE	MURIEL DR	919	80	Reconstruction	0.17	\$97,469.70
RIMROCK RD	MONTEREY AVE	MECCA DR	1004	80	Reconstruction	0.19	\$106,484.85
RIMROCK RD	MURIEL DR	YOSEMITE CT	472	80	Reconstruction	0.09	\$50,060.61
RIMROCK RD	YOSEMITE CT	RUSHMORE DR	439	80	Reconstruction	0.08	\$46,560.61
RIMROCK RD	BROADWAY AVE	RUSHMORE DR	877	60	Reconstruction	0.17	\$93,015.15
SECTION 178 TOTAL:						1.44	\$807,545.45

MAP SECTION: 195

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
COMMERCE PKWY	LENWOOD RD	COMMERCE PKWY END	1239	84	Reconstruction	0.23	\$131,409.09
SECTION 195 TOTAL:						0.23	\$131,409.09

MAP SECTION: 82

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
SOAPMINE RD	FWY OVERPASS	WEBSTER RD	2640	30	Reconstruction	0.50	\$280,000.00
SOAPMINE RD	IRWIN BENCH RD	SOAPMINE RD END	1076	30	Reconstruction	0.20	\$114,121.21
SECTION 82 TOTAL:						0.70	\$394,121.21

MAP SECTION: 84

STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
OLD HWY 58	OLD HWY 58	1ST AVE	3323	35	Reconstruction	0.63	\$352,439.39
SECTION 84 TOTAL:						0.63	\$352,439.39

MAP SECTION: 85

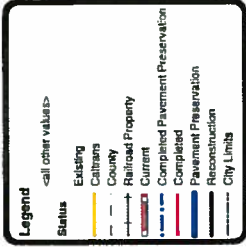
STREET NAME:	FROM:	TO:	LENGTH:	WIDTH:	METHOD:	MILES:	COST:
IRWIN RD	1ST AVE	RADIO RD	1470	35	Reconstruction	0.28	\$155,909.09
IRWIN RD	RADIO RD	HWY 58	1320	35	Reconstruction	0.25	\$140,000.00
IRWIN RD	HWY 58	OLD HWY 58	750	25	Reconstruction	0.14	\$79,545.45
SECTION 85 TOTAL:						0.67	\$375,454.55

RECONSTRUCTION TOTAL: \$20,953,015.15

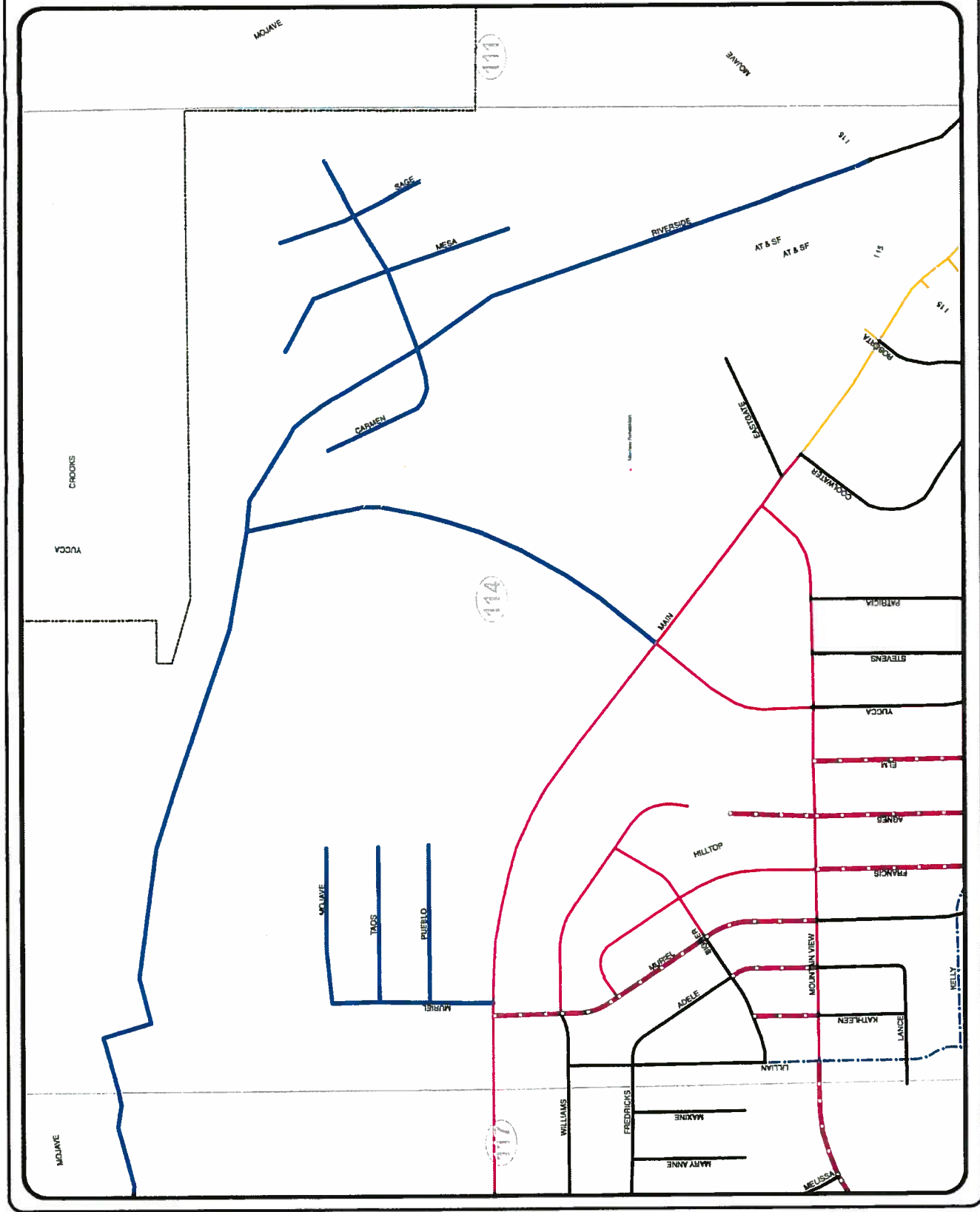
TOTAL MILES : 37.42



Pavement Management System

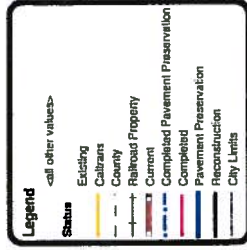


Engineering Division
Enterprise GIS Data



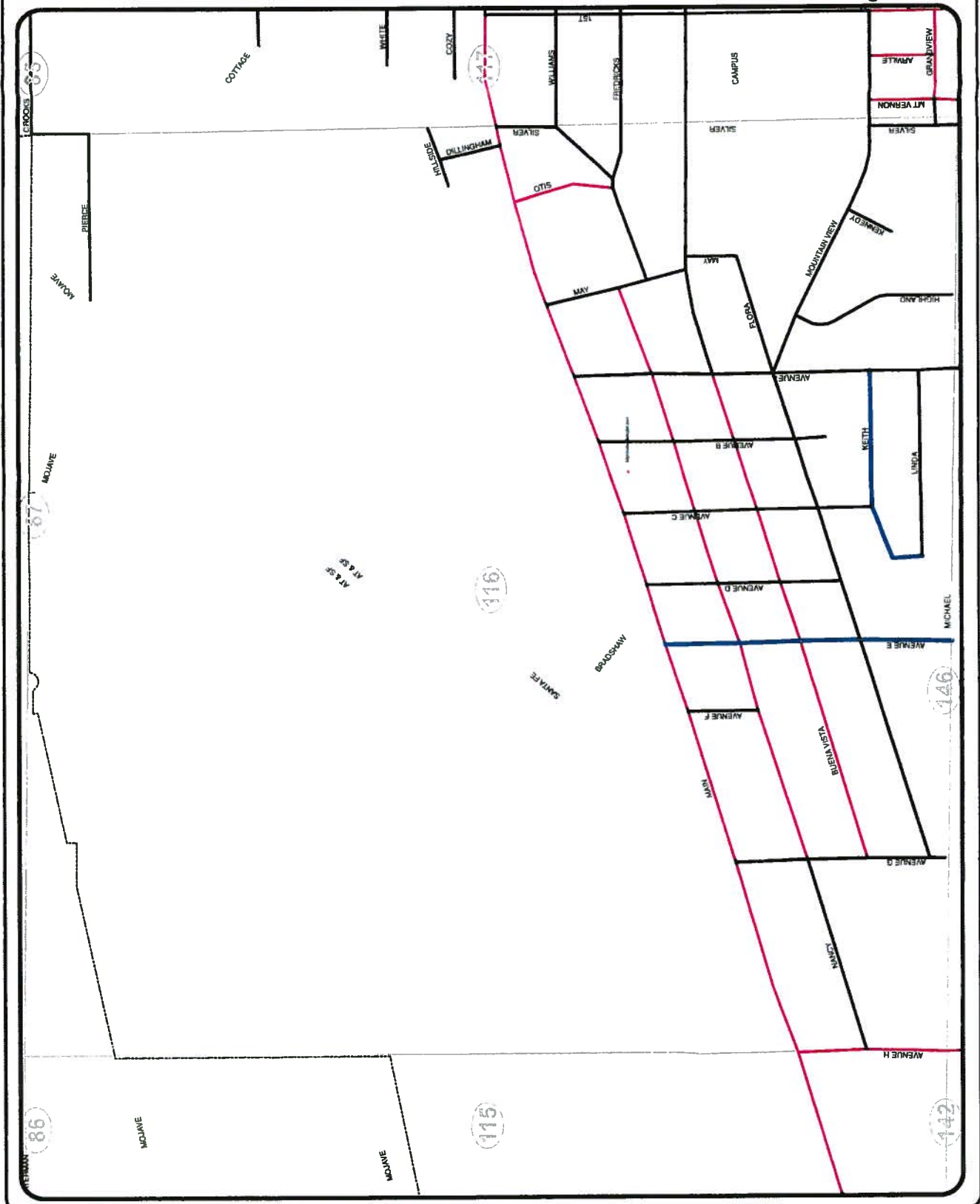


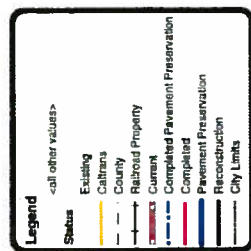
Pavement Management System



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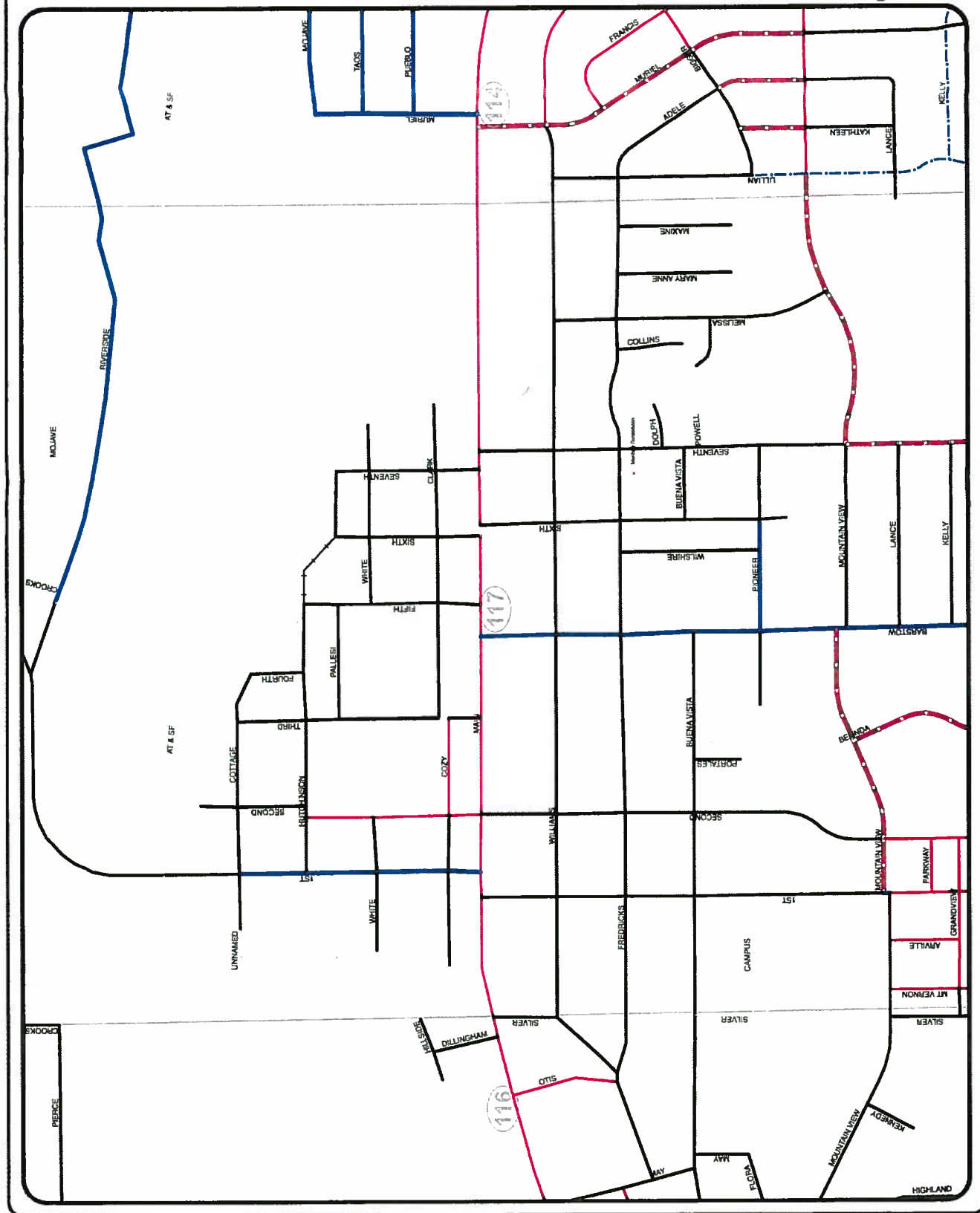
Engineering Division
Enterprise GIS Data





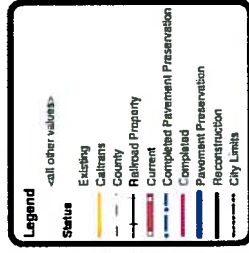
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Engineering Division
Enterprise GIS Data

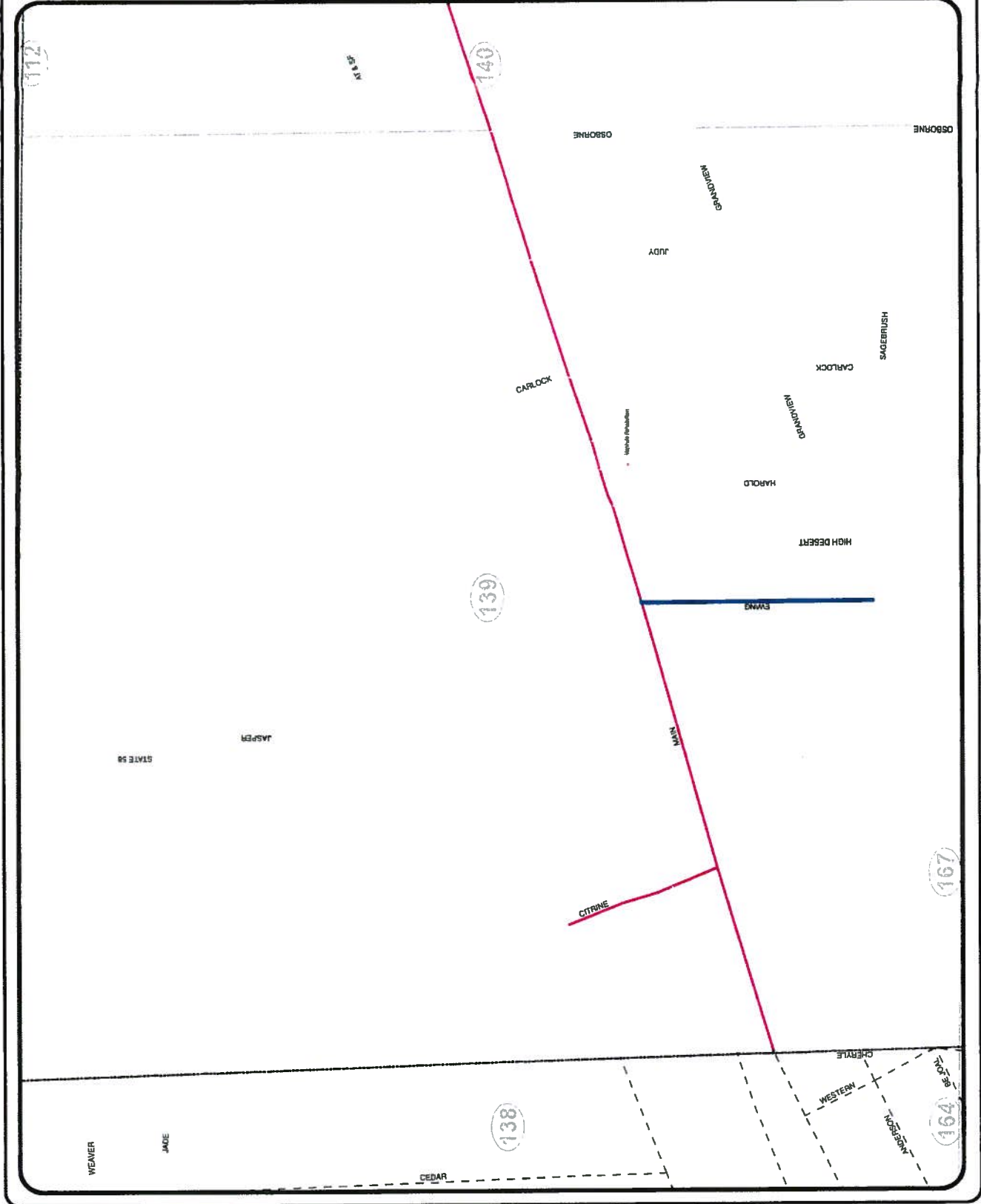


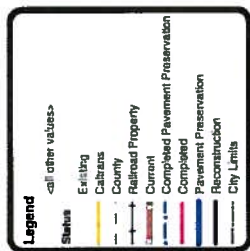


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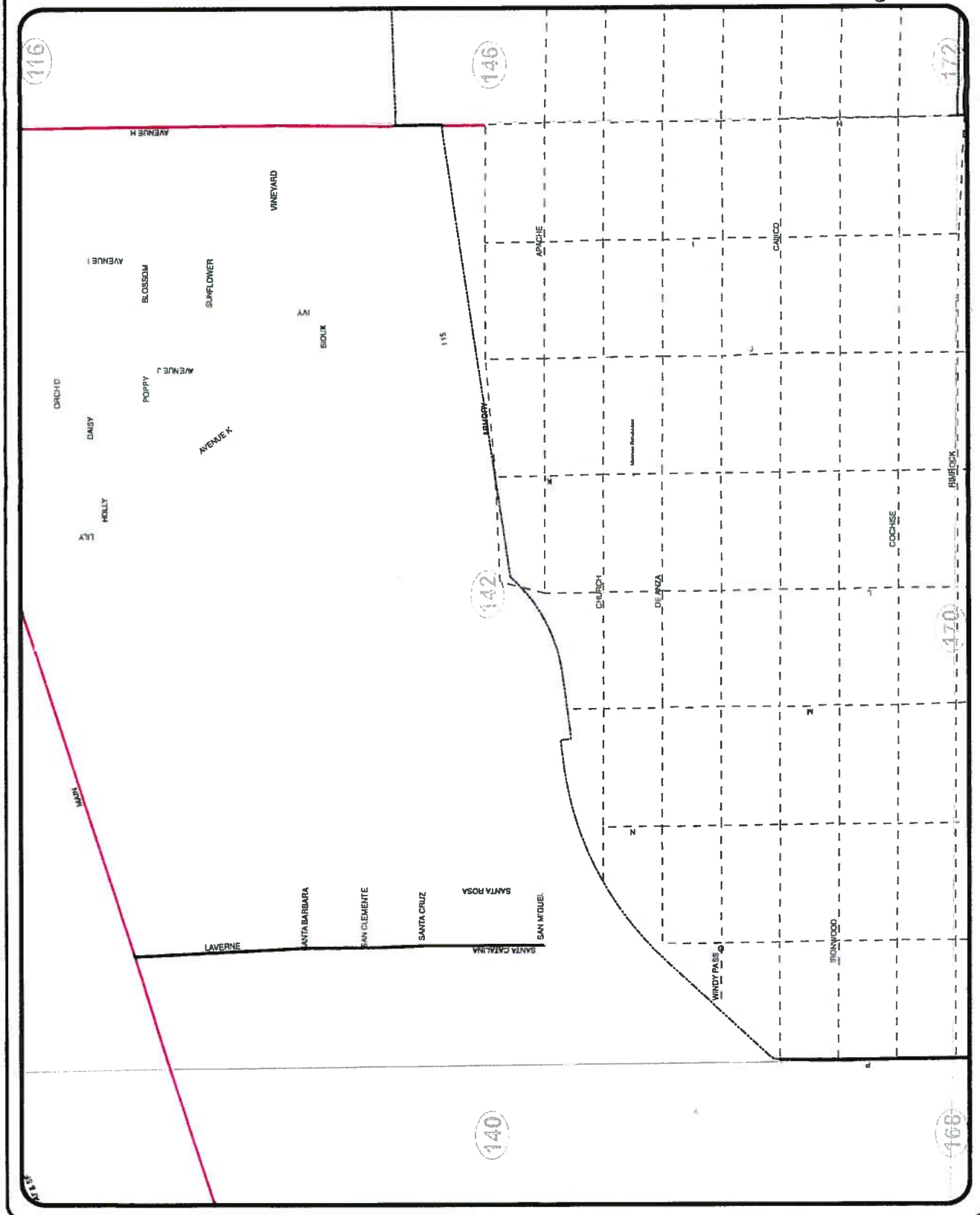


Engineering Division
Enterprise GIS Data





Engineering Division
Enterprise GIS Data





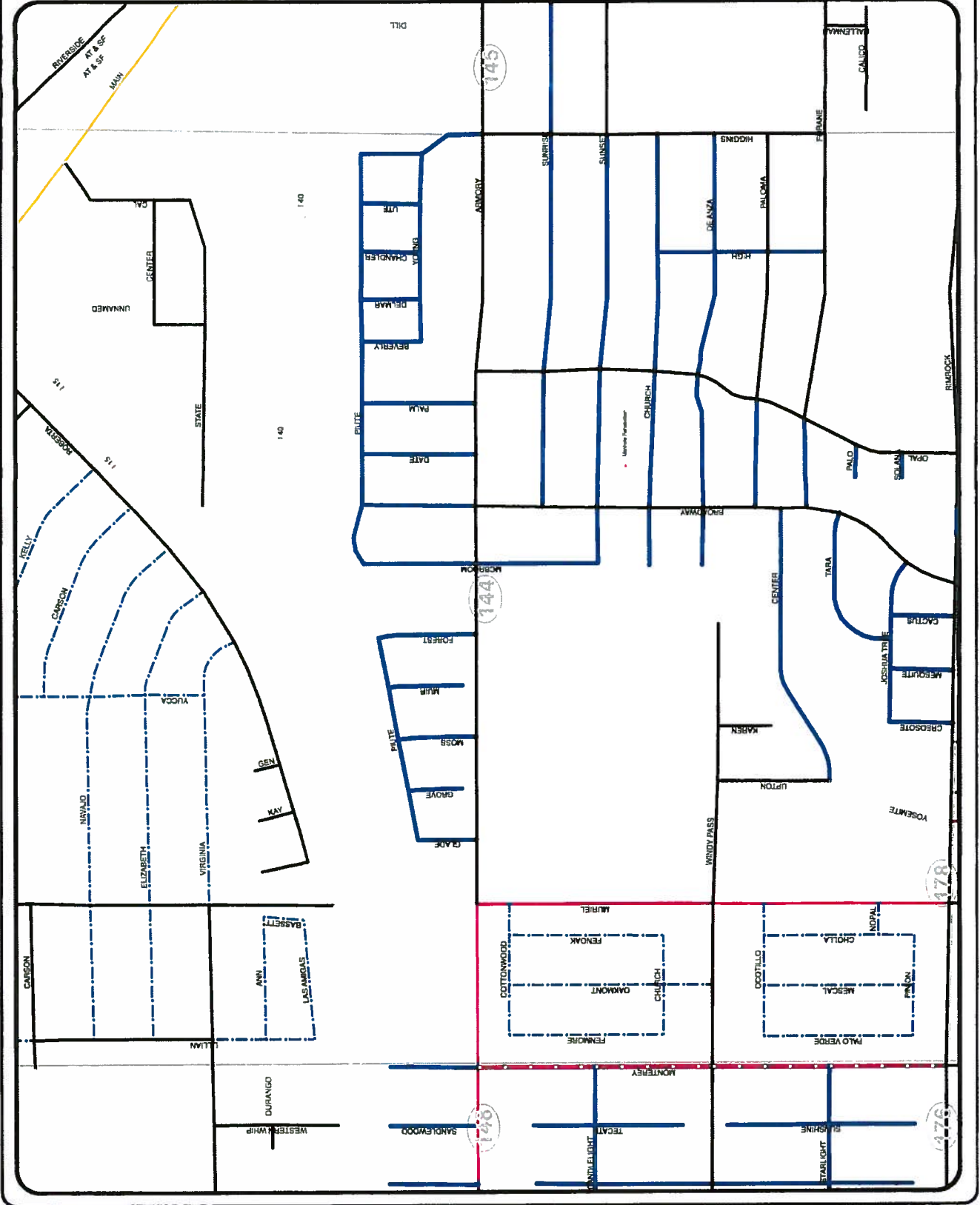
Pavement Management System

Legend
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Status	Existing	Caltrans	County	Railroad Property	Current	Completed	Pavement Preservation	Reconstruction	City Limits
	—	—	—	—	—	—	—	—	—

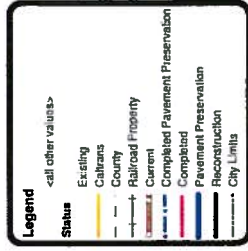


Engineering Division
Enterprise GIS Data

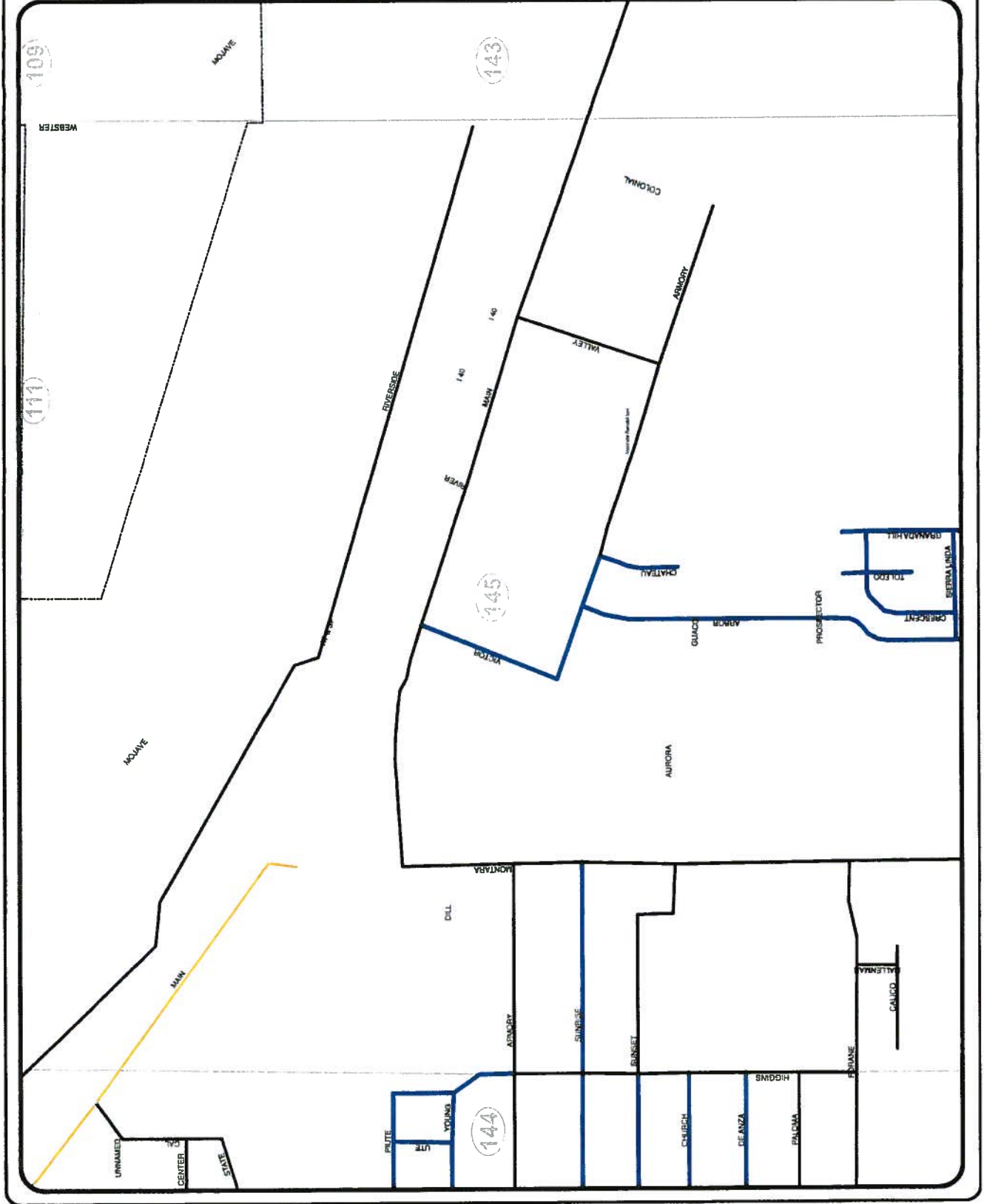




Pavement Management System



Engineering Division
Enterprise GIS Data



Engineering Division
Enterprise GIS Data



Pavement Management System

Legend
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Status
Existing
Cabrera
County
Railroad Property
Current
Completed Pavement Preservation
Completed
Pavement Preservation
Reconstruction
City Limits

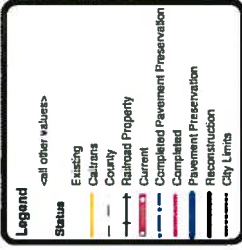


Engineering Division
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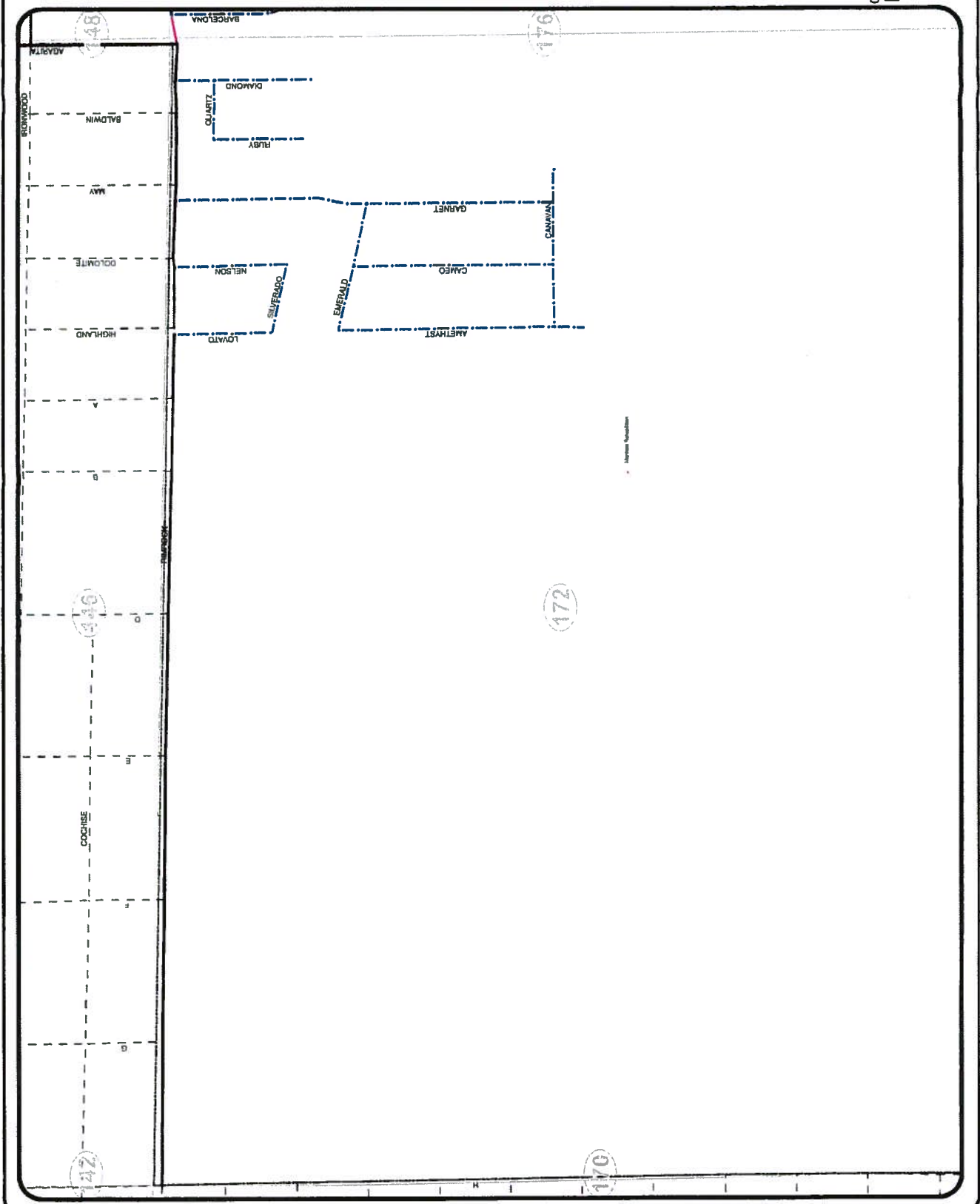




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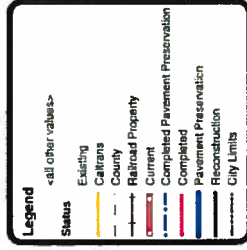


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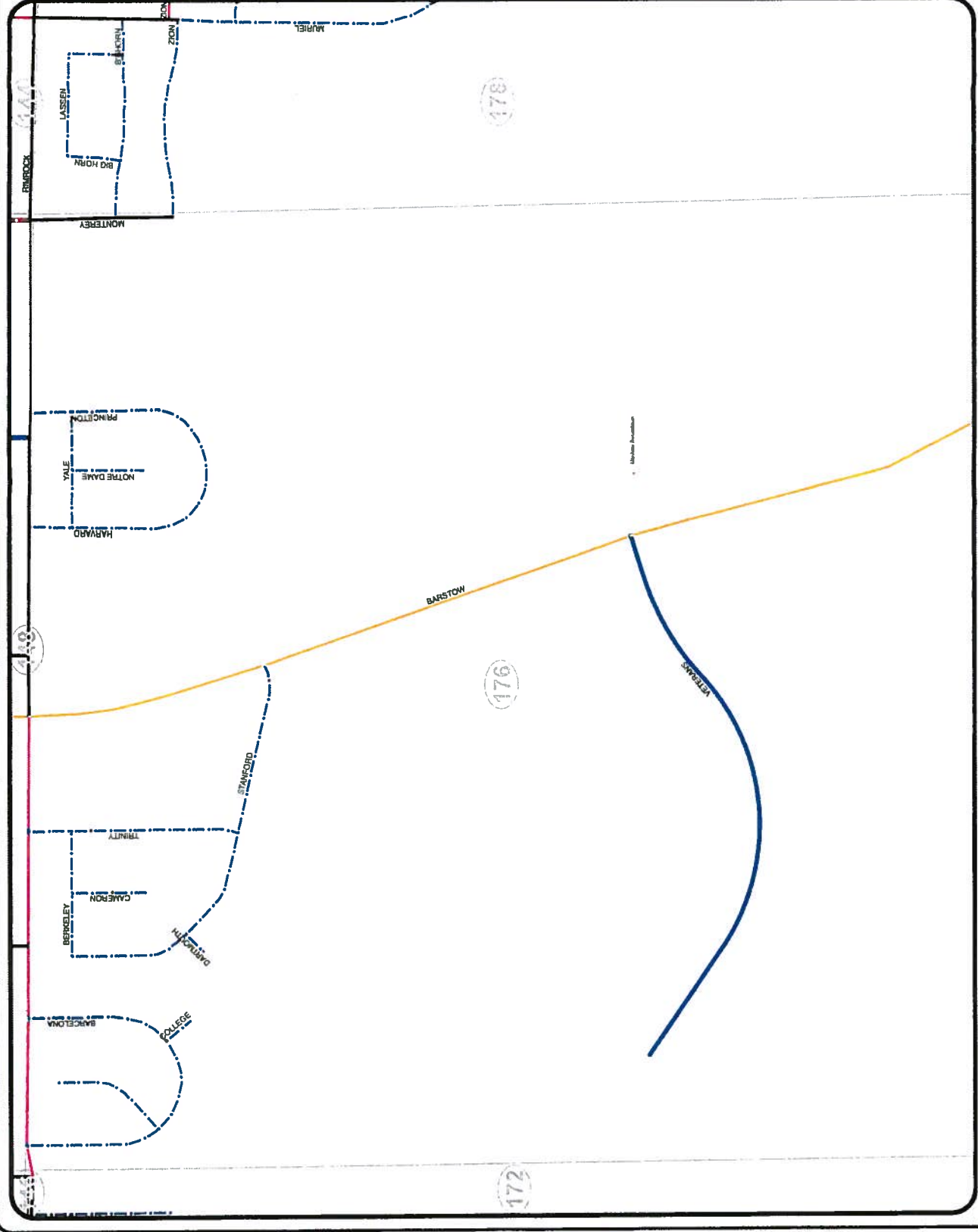




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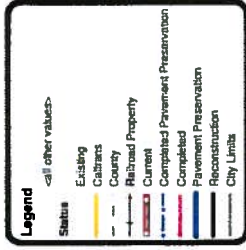


Engineering Division
Enterprise GIS Data





Pavement Management System

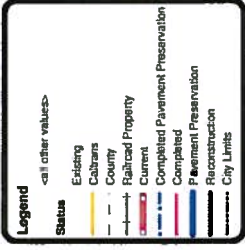


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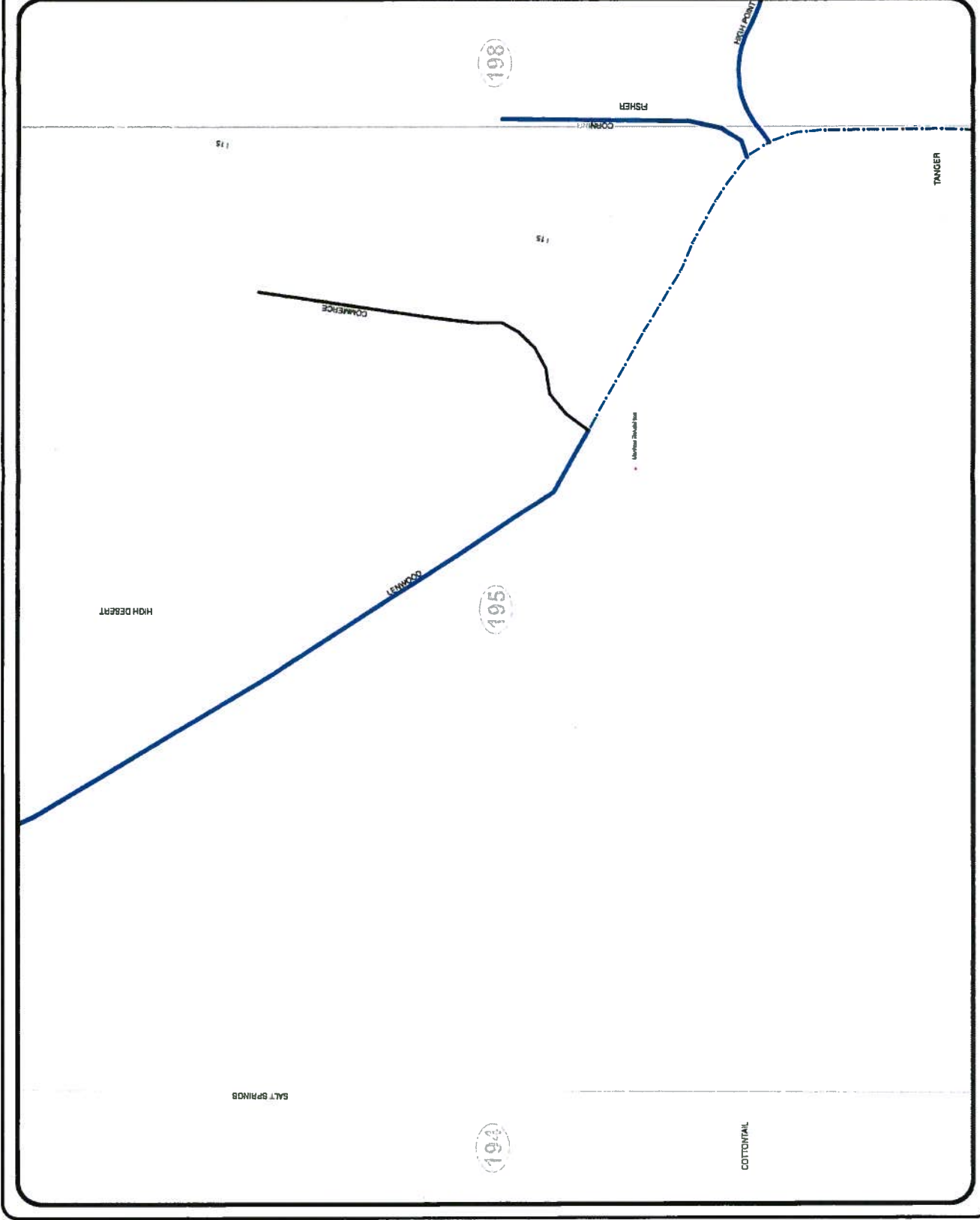




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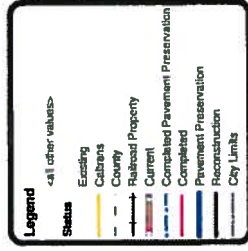


Engineering Division
Enterprise GIS Data



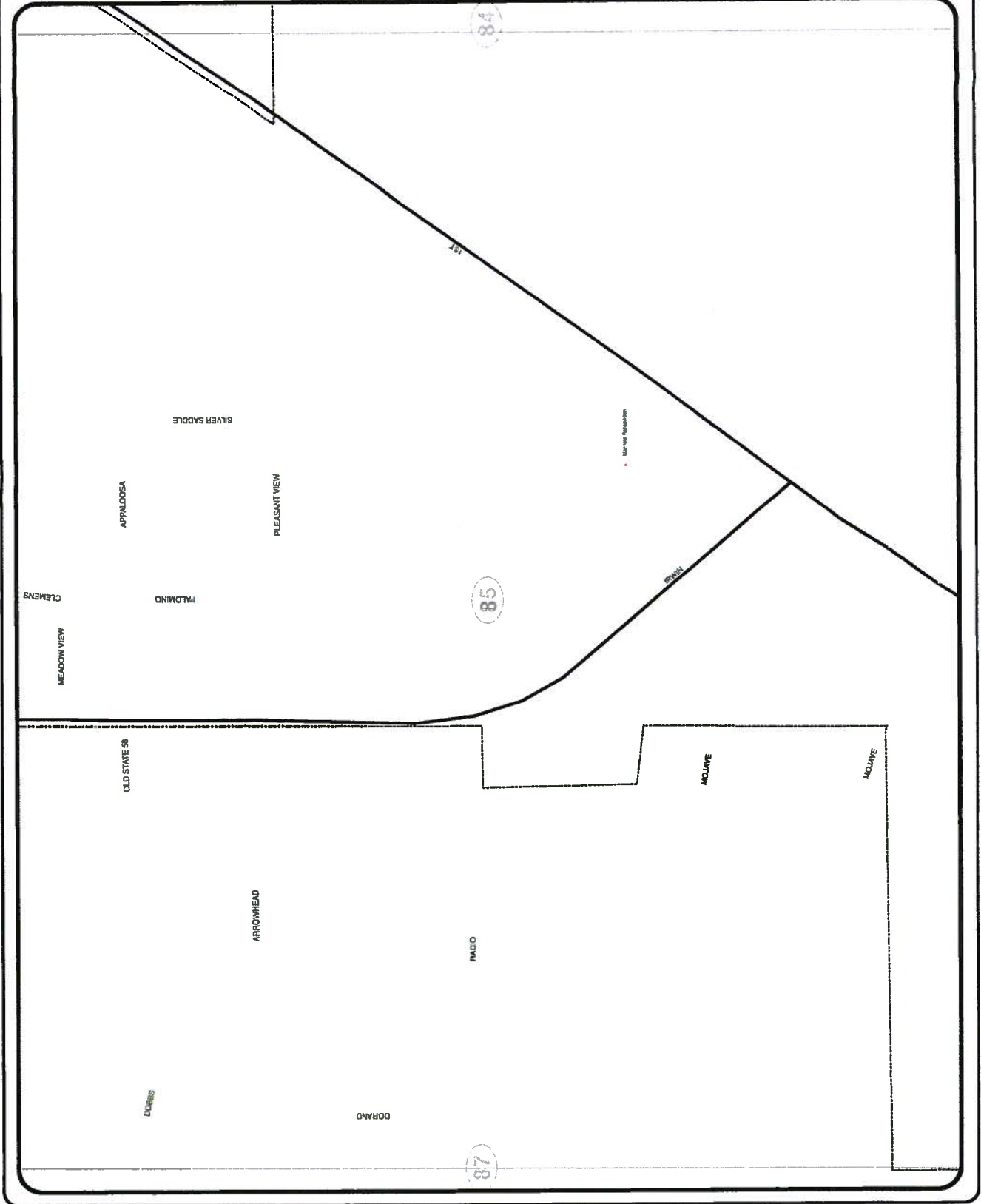


Pavement Management System



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Engineering Division
Enterprise GIS Data



**California Communities
TRIP Program
Transportation Revenue Certificates of Participation, Series 2012C**

**City of Barstow
100% Gas Tax & Measure I Revenue Pledge
Financing Scenarios**

	Scenario 1	Scenario 2
Borrowing Term	15-Year	20-Year
Description	100% of gas tax & Measure I for entire 15-year term	100% of gas tax & Measure I for entire 20-year term
All-in Bond Yield	5.25%	5.50%
# of Participants	3	3
Participant	Barstow	Barstow
Estimated Pool Size	36,780,000	39,660,000
Barstow Portion	16,780,000	19,660,000
Issuance Date	August 2012	August 2012
Total Pledged Revenues [A]	2,450,000	2,450,000
Gas Tax Revenues (1)	650,000	650,000
Measure I Revenues (2)	1,800,000	1,800,000
Annual Payment (approximate) (3) [B]	1,630,000	1,630,000
Coverage [A / B]	150%	150%
Left Over Revenues [A - B] (4)	820,000	820,000
Gas Tax Revenues	650,000	650,000
Measure I Revenues	170,000	170,000
Bond Size	16,780,000	19,660,000
Project Proceeds	14,850,736	17,706,120
Reserve Fund (5)	1,631,375	1,630,550
Bond Financing Costs (Barstow)		
Annual COP Trustee Fee (2012 payment)	1,000	1,000
Bond Counsel (6)	64,585	66,745
Validation Costs (7)	15,000	15,000
Disclosure Counsel (8)	26,667	26,667
Underwriter's Discount (9)	134,240	157,280
Rating Agency Fees	14,999	15,000
CSCDA Issuance Fee (10)	11,398	11,638
Financial Advisor (11)	20,000	20,000
Other (Printing, Trustee, Miscellaneous)	10,000	10,000
Total	\$297,889	\$323,330

Footnotes

- (1) Barstow received gas tax revenues of about \$650,000 annually.
(2) Barstow receives Measure I revenues of about \$1,800,000 annually.
(3) Includes annual COP payment, annual COP Trustee fee and annual CSCDA fee.
(4) Assumes annual COP payment made from Measure I Revenues.
(5) Reserve fund sizing calculated as maximum annual COP payment based on the standard 3-prong sizing test.
(6) If <\$5 million par, \$45,000 per participant; otherwise \$52,000 per participant + 0.075% of par.
(7) \$15,000 per participant if successful; \$7,500 if filed, but unsuccessful.
(8) If 1 participant + <\$5 million par, \$35,000; if 1 participant + >\$5 million, \$45,000; otherwise \$50,000 per pool+ \$10,000 per participant.
(9) If <\$5 million, \$35,000 per participant; otherwise \$8.00/bond which includes management fee, takedown and expenses.
(10) If <\$20 million, 0.15% of par (minimum of \$7,500); if >\$20 million, \$30,000 + 0.025% of par over \$20 million.
(11) \$30,000 per pool + \$10,000 per participant.

De La Rosa & Co. is providing the information in this document for discussion purposes in anticipation of serving as an underwriter to you. In our capacity as underwriter, we will be acting as a principal in a commercial, arm's length transaction and not as a municipal advisor, financial advisor or fiduciary to you regardless of whether we have or are currently acting as such on a separate transaction. The information we provide is not intended to be and should not be construed as "advice" within the meaning of the Securities Exchange Act of 1934. We encourage you to consult with your own legal, accounting, tax, financial and other advisors, as applicable, to the extent you deem appropriate.

March 28, 2012



CALIFORNIA COMMUNITIES
TOTAL ROAD IMPROVEMENT PROGRAM (TRIP)
TRANSPORTATION REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION, SERIES 2012C
(PARTICIPANT(S): CITY OF BARSTOW)

FINANCING SCHEDULE
(as of April 3, 2012)

MARCH 2012							APRIL 2012							MAY 2012						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
				1	2	3	1	2	3	4	5	6	7			1	2	3	4	5
4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12
11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19
18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26
25	26	27	28	29	30	31	29	30						27	28	29	30	31		

JUNE 2012							JULY 2012							AUGUST 2012						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
					1	2	1	2	3	4	5	6	7				1	2	3	4
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11
10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18
17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25
24	25	26	27	28	29	30	29	30	31					26	27	28	29	30	31	

■ Indicates Holiday. ■ Barstow City Council meets first and third Mondays of the month

Date	Action	Responsibility
Wed., Mar. 21 3 P.M.	Kick-off meeting at Barstow City Hall (Room TBD) Call In: (866) 642-1665 / Code: 620873#	All
Fri., Mar. 23	Distribute draft of POS & certificate purchase contract	Goodwin
	Submission of TRIP Program application	B
Mon., Mar. 26	Distribute draft of resolution and bonds documents	Orrick
Week of Mar. 26	Send SANBAG copy of sample Measure I certification letter	DLR, Orrick
Wed., Mar. 28 9:30 A.M.	Conference call to review documents Call In: (866) 642-1665 / Code: 620873#	All
Tues., Apr. 2	Distribute revised draft of bond documents, POS	Orrick, Goodwin
Wed., Apr. 4 3:00 P.M.	Briefing to Barstow Streets Committee on TRIP financing	B
Thurs., Apr. 5	Posting of notice of public hearing	Orrick, B
TBD	Conference call to review documents Call In: (866) 642-1665 / Code: 620873#	All



Date	Action	Responsibility
Week of Apr. 9	Meeting with SANBAG to discuss TRIP program and certification letter requirements	DLR, SANBAG, Orrick
Tue., Apr. 10	Staff report and document package submitted for Barstow City Council meeting	B
Mon., Apr. 16	Barstow City Council approves issuance of TRIP COPs and authorizes judicial validation proceedings	B
Tues., Apr. 17	File application for publication of summons	Orrick
Wed., Apr. 18	Hearing on application for publication of summons	Orrick
Thurs., Apr. 19	Distribute revised draft of bond documents, POS	Orrick, Goodwin
Week of Apr. 23	Receive executed Measure I certification letter from SANBAG	Orrick, B
Tues., Apr. 24	Conference call to review documents Call In: (866) 642-1665 / Pass: 620873#	All
Mon., Apr. 30	Posting of Summons period (at least 21 days)	Orrick, B
Tue., May 1	Distribute revised draft of bond documents, POS	Orrick, Goodwin
Mon., May 7	Submit staff report and documents for California Communities Board agenda package	CSCDA, Orrick, Goodwin
Thurs., May 17	California Communities Board approval	CSCDA
Mon., May 21	End of summons period	
Thurs., May 24	Send credit rating request letter and credit package to Standard & Poor's	DLR, UFI
Tues., May 29	Rating call with Barstow, SANBAG and S&P Call In: (866) 642-1665 / Pass: 620873#	B, SANBAG, UFI, DLR, S&P
Fri., Jun. 1	Last day for interested parties to file complaint against validation proceedings	
Mon., Jun. 4	File application for entry of default judgment	Orrick
Wed., Jun. 6	Receive S&P rating	S&P, DLR
Mon., Jun. 18	Default judgment received from Superior Court	Orrick
Wed., Jul. 18	30-day challenge period ends Print & post POS	Goodwin
Mon., Jul. 23 (Time: TBD)	Pre-pricing call Call In: (866) 642-1665 / Pass: 620873#	DLR, UFI, B
Tue., Jul. 24 (Time: TBD)	Pricing call Call In: (866) 642-1665 / Pass: 620873# Execute pricing confirmations & bond purchase contract	DLR, UFI, B CSCDA, B, DLR
Wed., Aug. 1	First draft of closing documents distributed	Orrick
Mon., Aug. 6	Deadline to deliver executed copies of closing documents/certificates to Orrick	B
Wed., Aug. 8	Pre-closing	All
Thurs., Aug. 9	Closing (funds delivered to Barstow)	DLR, Wells



Working Group

Conduit Issuer:	California Communities (CSCDA)
Borrower(s):	City of Barstow (B)
Financial Advisor:	Urban Futures (UFI)
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP (Orrick)
Disclosure & Underwriter's Counsel:	Goodwin Procter (Goodwin)
Underwriter:	De La Rosa & Co. (DLR)
Trustee:	Wells Fargo (Wells)
Rating Agency:	Standard & Poor's (S&P)

CITY OF BARSTOW

RESOLUTION NO. _____

RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF CALIFORNIA COMMUNITIES TRANSPORTATION REVENUE (INSTALLMENT SALE) CERTIFICATES OF PARTICIPATION, SERIES 2012C (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 Barstow (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 of Barstow, 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 motor vehicle fuel tax revenues received by the City from the State of California, and deposited into the Gas Tax Fund, 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 motor vehicle fuel tax revenues received by the City from the State of California, and deposited into the Gas Tax Fund;

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 2012C (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, E. J. De La Rosa & Co., Inc., 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 of Barstow; 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, BE IT RESOLVED BY THE LEGISLATIVE BODY OF THE CITY OF BARSTOW, 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 \$25,000,000, the true interest cost applicable to the interest components of the installment payments shall not exceed 7.00% per annum and the final principal installment due on the Installment Agreement shall be no later than June 1, 2042. 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 I 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 1.25% 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 I Revenues, as a category of Other Available Revenues, as those terms are respectively defined in the Installment Sale Agreement, may be used to make 2012 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 I Revenues to the payment of 2012 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 I 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) Assistant City Manager

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 _____ day of _____, 2012.

Joe D. Gomez, Mayor

ATTEST:

JoAnne V. Cousino, City Clerk

I, JoAnne V. Cousino, City Clerk of the City of Barstow, California, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Barstow held on the __ day of _____, 2012, and was adopted at the regular meeting of the City Council of the City of Barstow on ____ day of _____, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

JoAnne V. Cousino, City Clerk

2012 INSTALLMENT SALE AGREEMENT

by and between the

**CITY OF BARSTOW
as Purchaser**

and the

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

for the

**CALIFORNIA COMMUNITIES
TRANSPORTATION REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION, SERIES 2012C
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)**

Dated as of _____ 1, 2012

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2012 INSTALLMENT SALE AGREEMENT

This 2012 INSTALLMENT SALE AGREEMENT (the “2012 Installment Sale Agreement”), dated as of _____ 1, 2012, by and between the CITY OF BARSTOW, 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”),

WITNESSETH:

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 Gas Tax Revenues and Measure I Receipts, as those terms are 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 2012 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 2012 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 _____, 2012 and thereafter on each Certificate Payment Date, equal to .02% of the outstanding amount of the principal components of the 2012 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 2012 Installment Sale Payments described as such when executed and delivered.

Certificates

“Certificates” means the California Communities Transportation Revenue (Installment Sale) Certificates of Participation, Series 2012C (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 _____, 2012, 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 2012 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.

2012 Installment Sale Agreement

“2012 Installment Sale Agreement” means this installment sale agreement by and between the Local Agency and the Authority, dated as of _____ 1, 2012, 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; 2012 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.

“2012 Installment Sale Payments” means the Installment Sale Payments scheduled to be paid by the Local Agency under and pursuant to this 2012 Installment Sale Agreement.

Installment Sale Payment Date; 2012 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.

“2012 Installment Sale Payment Date” means any date on which 2012 Installment Sale Payments are scheduled to be paid by the Local Agency under and pursuant to this 2012 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 _____ 1, 20__.

Local Agency; Local Agencies

“Local Agency” means the City of Barstow, 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 I Ordinance

“Measure I Ordinance” means Ordinance No. 04-01, the Traffic Relief and Rail Expansion Ordinance, adopted by the San Bernardino County Transportation Authority on June 2, 2004, and approved by at least two-thirds of electors voting on such proposition in the November 2, 2004 election, as supplemented and amended.

Measure I Project

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

Measure I Receipts

“Measure I Receipts” means Measure I Revenues allocated by the San Bernardino County Transportation Authority to the Local Agency pursuant to the Measure I Ordinance, to the extent the Project constitutes a Measure I Project, in an amount not greater than the Installment Sale Payments related to such Measure I Project.

Measure I Receipts Account

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

Measure I Receipts Coverage Amount

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

Measure I Revenues

“Measure I Revenues” means revenues of the San Bernardino County Transportation Authority pursuant to the Measure I Ordinance derived from a retail transactions and use tax imposed in the County of San Bernardino pursuant to 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 I Ordinance.

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 2012 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 I Receipts.

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 2012 Installment Sale Payments; (ii) 125% of the average annual 2012 Installment Sale Payments, or (iii) the Maximum Annual Debt Service.

Reserve Subaccount

“Reserve Subaccount” means the subaccount by that name established pursuant to Section 4.03 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 _____ 1, 2012, 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 \$_____ payable in advance on _____, 2012 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 _____ 1, 20__, 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

2012 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 \$_____.

(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 2012 Installment Sale Payment at the following rates calculated on the basis of a 360-day year comprised of twelve 30-day months:

Principal Component <u>Due Date (June 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>
	\$	%

(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 2012 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 2012 Installment Sale Payments, which principal installments shall be due annually on each Certificate Payment Date, (ii) the interest installments of the 2012 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 2012 Installment Sale Payments Schedule is set forth in Exhibit

A attached hereto. Each 2012 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 2012 Installment Sale Payments and the Administration Fee is, subject to Section 8.01, absolute and unconditional, and until such time as the 2012 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 2012 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 2012 Installment Sale Payments and the Administration Fee, the Local Agency established the "City of Barstow Pledged Tax Fund" (the "Pledged Tax Fund" and within the Pledged Tax Fund, the "Gas Tax Account" and the "Measure I Receipts Account," which fund and accounts therein the Local Agency agrees and covenants to maintain so long as any 2012 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 I Receipts received by it shall be deposited when and as received in the Measure I Receipts Account.

All of the Revenues and all money in the Pledged Tax Fund and in the funds or accounts so specified and provided for in this 2012 Installment Sale Agreement, are hereby irrevocably pledged to the punctual payment of the 2012 Installment Sale Payments and the Administration Fee, and the Revenues and such other money shall not be used for any other purpose while any of the 2012 Installment Sale Payments remain outstanding; subject to the provisions of this 2012 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 and such other money for the payment of the 2012 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 2012 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 2012 Installment Sale Payments.

All money 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 money 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 money 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 2012 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 2012 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 2012 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 money 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 4.03 of the Trust Agreement. All money in the Reserve Subaccount shall be used and withdrawn by the Trustee for the purposes specified in Section 4.03 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 money 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 2012 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 2012 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 2012 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 2012 Installment Sale Payments as provided herein; provided, that the audited Revenues plus the Measure I 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012

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 I 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 Installment Sale Payments at the rate or rates of interest then applicable to such 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 Installment Sale Payments and the principal installments of such 2012 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 2012 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 2012 Installment Sale Agreement, and the Trustee shall pay over and

deliver to the Local Agency, as an overpayment of 2012 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 2012 Installment Sale Payments, which money and investments shall continue to be held uninvested by the Trustee in trust for the payment of the 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 Barstow
220 East Mountain View Street
Barstow, CA 92311
Attn: Oliver Chi, Assistant City Manager

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 2012 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 2012 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 2012 Installment Sale Agreement by their officers thereunto duly authorized as of the day and year first written above.

CITY OF BARSTOW

By: _____
City Manager

APPROVED AS TO FORM

By: _____
Local Agency Counsel

CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT
AUTHORITY

By: _____
Authorized Signatory

EXHIBIT A

2012 INSTALLMENT SALE PAYMENTS SCHEDULE

Payment Date	Interest Installment	Principal Installment	Total 2012 Installment Sale Payments
[12/01/2012]	\$	\$	\$
06/01/2013			
12/01/2013			
06/01/2014			
12/01/2014			
06/01/2015			
12/01/2015			
06/01/2016			
12/01/2016			
06/01/2017			
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12/01/2029			
06/01/2030			
12/01/2030			
06/01/2031			
12/01/2031			
06/01/2032			
12/01/2032			

EXHIBIT B

DESCRIPTION OF PROJECT

[The construction of streets and roadways within the corporate limits of the City of Barstow, 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 I 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.]

TRUST AGREEMENT

among

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY,

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee**

and

**CERTAIN LOCAL AGENCIES
NAMED HEREIN**

Dated as of _____ 1, 2012

**CALIFORNIA COMMUNITIES
TRANSPORTATION REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION, SERIES 2012C
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)**

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TRUST AGREEMENT

THIS TRUST AGREEMENT, made and entered into as of _____ 1, 2012 (the "Trust Agreement") among WELLS FARGO BANK, NATIONAL ASSOCIATION (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");

WITNESSETH:

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 is 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 2012 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 2012 Installment Sale Payments;

WHEREAS, each Local Agency participating in the Program has executed a pricing confirmation, confirming the sale to E. J. De La Rosa & Co., Inc. (the "Purchaser") of the Certificates which evidence and represent proportionate and undivided interests in the 2012 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 the 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 2012 Installment Sale Agreement, dated as of _____ 1, 2012, 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 E. J. De La Rosa & Co., Inc. or any successor thereto appointed by the Authority.

“Certificates” means the California Communities Transportation Revenue (Installment Sale) Certificates of Participation, Series 2012C (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, 20__.

“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 (“Treasures”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasures 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 Treasures are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre refunded municipal obligations rated “AAA” and “Aaa” by

S&P and Moody's, respectively, or (5) 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.

"2012 Installment Sale Payments" means the periodic payments scheduled to be paid by each Local Agency under and pursuant to its respective Agreement.

"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 _____ 1, 20__.

"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.

“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 E. J. De La Rosa & Co., Inc. 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 2012 Installment Sale Payments under the Agreement; (ii) 125% of the average annual 2012 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 2012 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 _____ 1, 2012, 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 Wells Fargo Bank, National Association, 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 \$_____ payable in advance on _____, 2012 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 (\$_____), evidencing and representing the aggregate principal components of the 2012 Installment Sale Payments and each evidencing and representing a proportionate, undivided interest in the 2012 Installment Sale Payments. The Local Agencies hereby authorize the Trustee to execute a letter of representations to be delivered to DTC in connection with the delivery of the Note Participations (the "Representation Letter").

Each Local Agency participating in the Program is the Local Agency required to make the 2012 Installment Sale Payments with respect to its Agreement which, when combined with the 2012 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 2012 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 Transportation Revenue (Installment Sale) Certificates of Participation, Series 2012C (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 _____, 2012, 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>
	\$	%

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 _____, 2012; 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, 20__, 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, 20__ in whole or in part (by lot within any maturity), 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 2012 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 within any maturity), on any date, from amounts received upon the acceleration of 2012 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, 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
	\$

The amount of each such prepayment shall be reduced in the event and to the extent that 2012 Installment Sale Payments payable on the corresponding 2012 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, 20__. In such event, the Local Agencies shall provide the Trustee with a revised sinking fund prepayment schedule.

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
	\$

The amount of each such prepayment shall be reduced in the event and to the extent that 2012 Installment Sale Payments payable on the corresponding 2012 Installment Sale Payment Date are optionally prepaid pursuant to any Agreement or Agreements and applied to the prepayment of Certificates maturing on June 1, 20___. 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.

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

(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 2012 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, 2012, 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 2012 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. Wells Fargo Bank, National Association 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 principal 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 and a certificate of destruction shall be delivered to the Authority. 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 principal 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 2012 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 2012 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 2012 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 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, (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.

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

[RESERVED]

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 and furnish to the Authority a certificate of such destruction.

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:	Wells Fargo Bank, National Association 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:	E. J. De La Rosa & Co., Inc. 10866 Wilshire Blvd., Suite 1650 Los Angeles, California 90024 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

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Signatory

CITY OF BARSTOW

By: _____
City Manager

CITY OF CHICO

By: _____
City Manager

CITY OF LYNWOOD

By: _____
Mayor

ATTEST

City Clerk

EXHIBIT A

FORM OF CERTIFICATE

No. _____

\$ _____

**CALIFORNIA COMMUNITIES
TRANSPORTATION REVENUE (INSTALLMENT SALE)
CERTIFICATE OF PARTICIPATION, SERIES 2012C
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)**

Interest Rate	Certificate Payment Date	Dated as of	CUSIP No.
%	June 1, ____	_____, 2012	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

THIS IS TO CERTIFY that the registered owner named above, as the registered owner of this California Communities Transportation Revenue (Installment Sale) Certificate of Participation, Series 2012C (T.R.I.P. – Total Road Improvement Program) (the “Certificates”), is the owner of a proportionate undivided interest in the rights to receive certain 2012 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 2012 Installment Sale Payments having been assigned without recourse by the Authority to Wells Fargo Bank, National Association, 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 Principal 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 Principal Corporate Trust Office of the Trustee, the principal sum specified above representing the registered owner’s fractional undivided share of the 2012 Installment Sale Payments designated as principal components coming due on the Certificate Payment Date, and on each June 1 and December 1, commencing _____ 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 _____, 2012; 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 _____ 1, 2012. Copies of the Trust Agreement are on file at the Principal 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 Principal 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 Principal 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 2012 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 2012 Installment Sale Payments are special obligations of the Local Agencies payable from [(i)] 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 [I/R] Receipts received by it shall be deposited when and as received in the Measure [I/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 2012 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: _____, 2012

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, as Trustee

By: _____
Authorized Signatory

[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: Wells Fargo Bank, National Association, as Trustee

From: City of [Barstow/Chico/Lynwood]

Dated Date: _____

Re: California Communities T.R.I.P. – Total Road Improvement Program (the
“Program”) Series 2012C

Requisition No. ____

The undersigned, on behalf of the City of [Barstow/Chico/Lynwood] (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 _____ 1, 2012, among the California Statewide Communities Development Authority, Wells Fargo Bank, National Association and the Local Agencies named therein.

Authorized Local Agency
Representative

SCHEDULE I

PARTICIPATING LOCAL AGENCY

<u>Local Agency</u>	<u>Principal Amount</u>
City of Barstow	\$
City of Chico	
City of Lynwood	
Total Principal Amount	\$

SCHEDULE II

INITIAL DEPOSIT TO PROCEEDS SUBACCOUNT ATTRIBUTABLE TO EACH LOCAL AGENCY

<u>Local Agency</u>	<u>Amount Deposited in the Proceeds Subaccount</u>
City of Barstow	\$
City of Chico	
City of Lynwood	
Total Proceeds	<u><u>\$</u></u>

Item V

Approve the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

- d. Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno; up to \$7,355,000 in Special Tax Bonds.

SUMMARY AND APPROVALS

PROJECT: FANCHER CREEK – CITY OF FRESNO
AMOUNT: UP TO \$7,355,000 OF COMMUNITY FACILITIES DISTRICT BONDS
PRIMARY ACTIVITY: FINANCING PUBLIC IMPROVEMENTS AND IMPACT FEES

Background:

On October 25, 2012, the Commission adopted a resolution establishing the Fancher Creek District (the “District”) including three improvement areas therein. At the special election held on the same date, the owners of the property within the boundaries of each improvement area of the District authorized the Authority to incur a bonded indebtedness in an amount not to exceed \$10,000,000 in Improvement Area 1 and approved a rate and method of apportioning the Special Tax to pay the principal of and interest on the Bonds with respect to Improvement Area 1.

CSCDA may issue additional series of bonds authorized by the District to develop the Improvement Areas therein. Bonds issued with respect to Improvement Area 1 will not exceed an aggregate principal amount of \$10,000,000, with respect to Improvement Area 2 will not exceed an aggregate principal amount of \$5,000,000, and with respect to Improvement Area 3 will not exceed an aggregate principal amount of \$2,000,000.

The District is located within the City of Fresno (the “City”) in Fresno County, California. Specifically, the District is located near the natural course of Fancher Creek.

The District, the first major mixed-use development of its kind in the Central Valley, has been designed using the “smart growth” initiatives through the following:

- This development amplifies the theme of “Live, Work and Play” by providing all the living, working, and shopping amenities desired by today’s families and businesses within its 1.5 square miles.
- The Developer has focused on creating an environmentally friendly development, and to that end has formed a partnership with the Fresno Area Express to provide for emission reducing buses and bus rapid transit nodes that will be located within the development.
- The development in the District is expected to assist in improving air quality, reducing the number of average daily vehicular trips and subsequent traffic congestion resulting from traditional development.

The property in the District is substantially undeveloped and vacant, with certain infrastructure improvements completed and installed.

Discussion:

Improvement Area 1

The first commercial component of the District is the “Fancher Creek Business Park, designated Improvement Area 1. Zoned M-1, the Fancher Creek Business Park is located in a Federal Empowerment Zone, providing wage credits and tax incentives for businesses; the 77-acre, 43-lot Park will include over 1.1 million square feet of business, commercial, industrial, and retail flex-space, housed in concrete tilt-up, stick-frame, and multi-story steel frame buildings, including an enhanced lighting and landscaping plan.

- The infrastructure improvements have been designed and constructed to include fiber optic and broadband technology.
- The Fancher Creek Business Park’s location, adjacent to the Fowler Avenue on and off ramps of the new Freeway 180 extension make it possible to be anywhere in the greater Fresno area within fifteen minutes.
- In Improvement Area 1, the only property that has been developed consists of a 102,750 square foot built-to-suit distribution warehouse has been leased to Ferguson Enterprises, Ferguson Enterprises is a publicly traded wholesale distributor of plumbing supplies, pipe, valves and fittings, heating and cooling equipment, and other waterworks headquartered in Newport News, Virginia, and employees approximately 18,000 employees over 1,300 locations.

Improvement Area 3

The second commercial component of Fancher Creek is the “Village at Fancher Creek,” designated Improvement Area 3. Zoned C-2, the Village at Fancher Creek is a 23.33-acre mixed-use commercial, retail, and residential center. At full build-out the Village at Fancher Creek is planned to include approximately 250,000 square feet of building improvements.

Immediately adjacent to the District, Pulte Homes & Bonadelle Homes have completed entitlement processing for construction of 1,000 single-family homes. To date, Pulte Homes has completed construction on approximately 289 single-family homes. These projects are not within the District.

Attachment 1 provides further detail on the District to be considered by the Commission

Approvals:

Based upon the Financing meeting the policies of this Commission and at the request of the City of Fresno it is hereby submitted to:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission to sign all necessary documents

Attachment 1

Sources and Uses:

Sources:

Bond Proceeds:

Par Amount	7,355,000.00
Original Issue Discount	-4,820.00
	7,350,180.00

Uses:

Other Fund Deposits:

Reserve Fund	735,500.00
Redemption Fund	798,719.95
	1,534,219.95

Delivery Date Expenses:

Cost of Issuance	250,070.00
Underwriter's Discount	117,680.00
	367,750.00

Other Uses of Funds:

Acquisition & Construction Fund	5,448,210.05
	7,350,180.00

Value to Lien Ratio:

Estimated Value-to-Lien Debt Ratios

The appraised value of the property in Improvement Area 1 subject to the lien of the Special Tax, as estimated by the Appraiser as of September 19, 2012, subject to the methodology and assumptions contained in the Appraisals, is \$18,000,000, which is approximately 2.45 times the aggregate principal amount of the Bonds. The appraised value of the property in Improvement Area 3 as estimated by the Appraiser as of September 19, 2012, subject to the methodology and assumptions contained in the Appraisals, is \$11,420,000, which is approximately 1.55 times the aggregate principal amount of the Bonds. In combination, the total value for both Improvement Area Nos. 1 and 3 is \$29,420,000, leading to a combined value to lien of approximately 4.00 times the aggregate principal amount of the Bonds meeting the CSCDA CFD policy of 4x value to lien ratio.

Finance Team:

Bond Counsel: Orrick, Herrington & Sutcliffe, San Francisco, CA

Authority Counsel: Orrick, Herrington & Sutcliffe, Sacramento, CA

Underwriter: Stone & Youngberg, San Francisco, CA

Special Tax Consultant: David Taussig & Associates, Newport Beach, CA

RESOLUTION NO. 12R-_____

A RESOLUTION APPROVING THE ISSUANCE OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2012-01 (FANCHER CREEK) SPECIAL TAX BONDS, SERIES 2012A; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE PROVIDING FOR THE ISSUANCE OF SUCH BONDS; APPROVING A BOND PURCHASE CONTRACT PROVIDING FOR THE SALE OF SUCH BONDS; APPROVING AN OFFICIAL STATEMENT; APPROVING A CONTINUING DISCLOSURE CERTIFICATE; APPROVING AN ACQUISITION AGREEMENT; AUTHORIZING THE SALE OF SUCH BONDS; AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION OF RELATED DOCUMENTS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS

WHEREAS, the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) has determined to issue not to exceed \$7,355,000 principal amount of its California Statewide Communities Development Authority Community Facilities District No. 2012-01 (Fancher Creek) Special Tax Bonds, Series 2012A (the “Bonds”); and

WHEREAS, there has been made available to the Commissioners of the Authority a form of the Indenture (the “Indenture”) providing for the issuance of the Bonds; and

WHEREAS, the Commission has carefully considered the terms and conditions of the Indenture; and

WHEREAS, Stone & Youngberg LLC (the “Underwriter”) has proposed to submit an offer to purchase the Bonds pursuant to a Bond Purchase Contract (the “Purchase Contract”) in substantially the form made available to the Commissioners of the Authority; and

WHEREAS, the Commission has considered carefully the terms and conditions of the Purchase Contract, and has determined that a private sale of the Bonds to the Underwriter in accordance with the Purchase Contract would result in a lower overall cost to the Authority; and

WHEREAS, the Authority has caused to be prepared an Official Statement in preliminary form relating to the Bonds, a copy of which has been made available to the Commissioners; and

WHEREAS, the Authority has caused to be prepared a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) for the purpose of making undertakings to provide certain annual financial information and notice of material events as required by Securities Exchange Commission Rule 15c2-12(b)(5);

WHEREAS, the Authority, the City of Fresno (the “City”) and Fancher Creek Properties, (the “Developer”) propose to enter into an Acquisition Agreement (the “Acquisition Agreement”) for the purpose of setting forth the terms and conditions pursuant to which the

Authority will acquire public infrastructure improvements and pay other costs of development of the public infrastructure from proceeds of the Bonds; and

NOW THEREFORE, BE IT RESOLVED by the Commission of the California Statewide Communities Development Authority, as follows:

Section 1. The Commission finds and determines that the foregoing recitals are true and correct.

Section 2. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Statewide Communities Development Authority Community Facilities District No. 2012-01 (Fancher Creek), Series 2012A” in an aggregate principal amount not to exceed seven million three hundred fifty-five thousand dollars (\$7,355,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture as made available to the Commissioners. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 11R-18 of the Authority, adopted on September 28, 2011 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 3. The Indenture providing for the issuance of the Bonds, in substantially the form made available to the Commissioners, is hereby approved for execution by the Authority, and any member of the Commission of the Authority or any Authorized Signatory, are hereby authorized and directed, for and on behalf of the Authority to execute the Indenture in substantially said form, with such changes or additions as any member of the Commission with the advice of counsel to the Authority may approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

Section 4. The Purchase Contract providing for the sale of the Bonds, in substantially the form made available to the Commissioners, is hereby approved for execution by the Authority, and any Authorized Signatory is hereby authorized and directed to execute the Purchase Contract in substantially said form, with such changes or additions thereto as any member of the Commission with the advice of counsel to the Authority may approve, such approval to be conclusively evidenced by the execution and delivery of the Purchase Contract, and the Secretary is hereby authorized and directed to deliver the Purchase Contract; provided, that, the true interest cost on the Bonds shall not exceed 7.5% per annum, the underwriters discount shall not exceed 1.6%, and the final maturity of the Bonds shall not be later than September 1, 2043.

Section 5. The Official Statement in preliminary form (the “Preliminary Official Statement”) relating to the Bonds, in substantially the form made available to the Commissioners, is hereby approved, and any Authorized Signatory is hereby authorized and

directed to certify to the Underwriter that the Preliminary Official Statement is deemed to be final as of its date, except for certain final pricing and related information permitted to be omitted in accordance with Rule 15c2-12 of the Securities Exchange Commission, and the Underwriter is hereby authorized and directed to distribute or cause the distribution of copies of the Preliminary Official Statement to prospective purchasers of the Bonds, and any Authorized Signatory is hereby authorized to execute and deliver an Official Statement in final form (the "Final Official Statement") relating to the Bonds in substantially the form of the Preliminary Official Statement, which Final Official Statement shall include final pricing and related information and other changes, as any member of the Commission with the advice of counsel to the Authority may approve, such approval to be conclusively evidenced by such execution and delivery of the Final Official Statement, and the Underwriter is hereby authorized and directed to distribute or cause the distribution of copies of the Final Official Statement to all purchasers of the Bonds.

Section 6. The form and substance of the Continuing Disclosure Certificate is hereby approved. Any Authorized Signatory is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate in substantially the form made available to the Commissioners, with such changes or additions, as any member of the Commission with the advice of counsel to the Authority may approve, such approval to be conclusively evidenced by such execution and delivery.

Section 7. The form and substance of the Acquisition Agreement is hereby approved. Any Authorized Signatory is hereby authorized and directed to execute and deliver the Acquisition Agreement in substantially the form with such changes as any member of the Commission with the advice of counsel to the Authority, may approve such approval to be conclusively evidenced by such execution and delivery.

Section 8. The Chair, Vice Chair, Secretary, Treasurer, any other members of the Commission and other appropriate officers and agents of the Authority, including the Authorized Signatories are hereby authorized and directed, jointly and severally, to do all things and to execute and deliver all documents and contracts they deem necessary or advisable for consummating the sale, execution, and delivery of the Bonds and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution, the Indenture, the Bonds, the Purchase Contract, the Continuing Disclosure Certificate, the Preliminary Official Statement, and the Official Statement. All such actions previously taken by the Authorized Signatories are hereby ratified, confirmed, and approved.

Section 9. This resolution shall take effect from and after its passage and adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 20th day of November, 2012.

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on November 20, 2012.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority

Item VI

Discuss and Approve 2013 CSCDA Meeting Calendar

2013 California Statewide Communities Development Authority Regular Meeting Calendar

All Regular Meetings of the Authority will begin at 10:00 AM. The primary location for the first meeting of each month is the League of California Cities, located at 1400 K Street, 3rd Floor, Sacramento, CA 95814. The primary location for the second meeting of each month is the California State Association of Counties, located at 1100 K Street, Sacramento, CA 95814.

Regular CSCDA Board Meetings highlighted Yellow.

Federal/State holidays highlighted in Red.

JANUARY						
M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY						
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11	12	13	14	15	16	17
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25	26	27	28			

MARCH						
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APRIL						
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29	30					

MAY						
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27	28	29	30	31		

JUNE						
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JULY						
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29	30	31				

AUGUST						
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SEPTEMBER						
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OCTOBER						
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28	29	30	31			

NOVEMBER						
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DECEMBER						
M	T	W	T	F	S	S
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Regular CSCDA Board Meetings highlighted Yellow.

Federal/State holidays highlighted in Red.

January 10 - Thursday
January 24 - Thursday
February 7 - Thursday
February 21 - Thursday
March 14 - Thursday
March 28 - Thursday
April 11 - Thursday
April 25 - Thursday
May 16 - Thursday
May 30 - Thursday
June 13 - Thursday
June 27 - Thursday

July 18 - Thursday
August 1 - Thursday
August 15 - Thursday
September 15 - Thursday
September 26 - Thursday
October 10 - Thursday
October 24 - Thursday
November 7 - Thursday
November 26 - Tuesday
December 5 - Thursday
December 19 - Thursday

January 1 - New Year's Day
January 21 - M.L. King, Jr. Day
February 12 - A. Lincoln Day (State Holiday)
February 18 - President's Day (Observed)
April 1 - C. Chavez Day (State Holiday)
May 27 - Memorial Day
July 4 - Independence Day
September 2 - Labor Day
October 14 - C. Columbus Day (Observed)
November 11 - Veterans Day (Observed)
November 28-29 - Thanksgiving Days
December 25 - Christmas Day