



**CITY COUNCIL/SUCCESSOR AGENCY/
FINANCING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING
AGENDA**

Tuesday

May 14, 2019

Regular Meeting – **5:00 p.m.**

Council Chambers – Lancaster City Hall

The City Clerk/Agency/Authority Secretary hereby declares the agenda was posted
by 5:00 p.m. on Friday, May 10, 2019

at the entrance to the Lancaster City Hall Council Chambers.

44933 Fern Avenue, Lancaster, CA 93534

LEGISLATIVE BODY

City Council/Successor Agency/Financing/Power/ California Choice Energy Authority

Mayor/Chair R. Rex Parris

Vice Mayor/Vice Chair Marvin Crist

Council Member/Agency Director/Authority Member Raj Malhi

Council Member/Agency Director/Authority Member Ken Mann

Council Member/Agency Director/Authority Member Angela Underwood-Jacobs

Housing Authority

Deputy Mayor/Chair Kitty Kit Yee Szeto

Vice Chair Marvin Crist

Deputy Mayor/Authority Member Cassandra Harvey

Authority Member Raj Malhi

Authority Member Ken Mann

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AGENDA ITEMS TO BE REMOVED

Sometimes it is necessary to remove items from the agenda. We apologize for any inconvenience this may cause you.

PUBLIC BUSINESS FROM THE FLOOR - AGENDIZED ITEMS

Any person who would like to address the Legislative Bodies on any agendized item is requested to complete a speaker card for the City Clerk/Agency/Authority Secretary and identify the agenda item you would like to discuss. Each person will be given an opportunity to address the Legislative Body at the time such item is discussed. Speaker cards are available at the rear of the Council Chambers and your speaker card must be filled out *prior* to the agenda item being called. We respectfully request that you fill the cards out completely and print as clearly as possible. Following this procedure will allow for a smooth and timely process for the meeting and we appreciate your cooperation. *Individual speakers are limited to three (3) minutes each.*

Consent Calendar items under the Legislative Body may be acted upon with one motion, a second and the vote. If you desire to speak on an item or items on the Consent Calendar, you may fill out one speaker card for the Consent Calendar. You will be given three minutes to address your concerns before the Legislative Body takes action on the Consent Calendar.

CALL TO ORDER

City Council/Successor Agency/Financing/Power/ California Choice Energy Authority

ROLL CALL

City Council Members /Agency Directors /Authority Members: Malhi, Mann, Underwood-Jacobs; Vice Mayor/Vice Chair Crist, Mayor/Chair Parris

ROLL CALL

Housing Authority Members: Harvey, Malhi, Mann; Vice Chair Crist; Chair Szeto

INVOCATION

Pastor Chris Johnson, Grace Chapel

PLEDGE OF ALLEGIANCE

**CITY OF LANCASTER, CALIFORNIA
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PRESENTATIONS

1. Recognition of Employees Years of Service
Presenters: Mayor Parris and City Manager Jason Caudle

2. Antelope Valley College Update
Presenter: Ed Knudson, President

3. Proclamation in Support of Energy Upgrade California
Presenter: Mayor Parris

HOUSING AUTHORITY ACTIONS

NEW BUSINESS

HA NB 1. Disposition strategy for property acquired by the Lancaster Housing Authority

Recommendation:

Adopt **Resolution No. HA 01-19**, a resolution of the Lancaster Housing Authority (the “Housing Authority”) approving a disposition strategy for the sale of single-family residences.

On August 14, 2007, the Agency Board approved the implementation of the Neighborhood Foreclosure Preservation Home Ownership Program (the “Program”) citywide. The Program is designed to preserve sustainable homeownership for Lancaster residents by reclaiming foreclosed homes as neighborhood assets. Rehabilitation of older properties by the Lancaster Housing Authority helps to eliminate blight in the neighborhoods, and it assists the community by providing much needed affordable homeownership for families.

COUNCIL ACTIONS

MINUTES

M 1. Approve the City Council/Successor Agency/Financing/ Power/ California Choice Energy Authority Regular Meeting Minutes of April 23, 2019.

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CONSENT CALENDAR

CC 1. Waive further reading of any proposed ordinances. (This permits reading the title only in lieu of reciting the entire text.)

CC 2. Approve the Check and Wire Registers for April 7, 2019 through April 20, 2019 in the amount of \$8,929,156.41.

At each regular City Council Meeting, the City Council is presented with check and ACH/wire registers listing the financial claims (invoices) against the City for purchase of materials, supplies, services, and capital projects issued the prior three to four weeks. This process provides the City Council the opportunity to review the expenditures of the City. Claims are paid via checks, Automated Clearing House (ACH) payments, or federal wires. The justifying backup information for each expenditure is available in the Finance Department.

CC 3. Adopt **Ordinance No. 1064**, amending section 15.04.100 of the Lancaster Municipal Code and Chapter 15.12 by adding Section 15.12.050 concerning stand-alone energy systems allowing residents and business owners the ability to construct and operate stand-alone energy systems, disconnected from any and all local utility grids.

Ordinance No. 1064 is in line with the Council's commitment to providing flexible energy choices. Residents and business owners who choose to disconnect from the local utility grid will be allowed to construct and operate stand-alone electric energy systems including, but not limited to solar systems, fuel cell systems, battery systems and wind electric systems. Lancaster will be the first City in the State to encourage the use of newer technologies through this ordinance.

CC 4. Approve the proposed professional services agreement with KHJR Real Estate Advisory Services, LLC; and authorize the City Manager, or his designee, to execute all documents.

The City of Lancaster and Antelope Valley Hospital have partnered to establish Medical Main Street, a comprehensive, mixed-use healthcare district that would integrate state-of-the-art medical facilities alongside such uses as shopping, dining, hospitality and housing. Through the existing partnership, Medical Main Street is well on its way to completion of a specific plan, which will lay the groundwork for development with an environmental impact report and updated zoning to reflect the goals of the district. The proposed professional services agreement with KHJR Real Estate Advisory Services, LLC (KHJR) represents the next step for development of the proposed Medical Main Street district, which offers tremendous potential for significant growth in property and sales tax revenues to the City of Lancaster upon completion.

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CC 5. Authorize the City Manager or his designee to finalize and execute a rental agreement between the City of Lancaster and Edison Microgrids, LLC for the lease of City property located in the Lancaster Business Park, which was formerly used as a golf center.

The proposed rental agreement would allow for the lease of property to Edison for this purpose for a period of three years, the length of time needed to prove the concept. The property to be leased is a roughly 20-acre parcel located in the Lancaster Business Park, formerly used as the Lancaster Golf Center. Under the agreement, Edison will renovate the existing buildings for use as office and educational space, with the intent to offer field trips for local students and community members to learn about hydrogen power.

JOINT PUBLIC HEARING

JPH 1. Proposed Financing of Certain Street Improvements Within the City from Proceeds of the Lancaster Financing Authority Revenue Bonds

Recommendations:

City Council Recommendation:

Adopt **Resolution No. 19-17**, approving the financing of certain improvements; approving an installment sale agreement, a bond purchase contract and a continuing disclosure agreement; and authorizing the taking of certain other actions in connection therewith.

Lancaster Financing Authority Recommendation:

Adopt **Resolution No. FA 01-19**, approving the issuance of its revenue bonds, series 2019 (Measure M & R Street Improvements Projects) in the aggregate principal amount not to exceed \$57,000,000; approving an indenture of trust, an installment sale agreement and a bond purchase contract; and authorizing the taking of certain other actions in connection therewith.

In July 2008, LA County Metro's Measure R was approved by Los Angeles County voters. In November 2016, Metro's Measure M was approved. Both Measure R and Measure M included a new half-cent sales tax creating an ongoing source of funding for mobility improvements across Los Angeles County. Under Measure R and M, major road, transit and walking/biking projects are slated to be built in the next 40 years. Measure R and Measure M also includes funds that are returned directly to local cities for their own transportation projects and annual funding to ensure infrastructure is maintained. Staff has developed a priority list and cost estimate for the Urban Core Arterial and Residential Street Rehabilitation and Resurfacing Projects (the "Projects") that qualify for funding under Metro's guidelines for both Measure R and Measure M. Repayment of the financing will take place over the useful life of the Projects financed. Most of the Projects have a useful life of 15 to 30 years.

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NEW BUSINESS

NB 1. Municipally Owned Utility

Recommendation:

Adopt **Resolution No. 19-18**, authorizing the creation and operation of a municipally owned utility for the purpose of providing various utility services, and authorizing the taking of certain other actions in connection therewith.

As the first City Community Choice Aggregator (CCA) in the State, Lancaster Choice Energy has saved customers millions of dollars and developed programs which have helped homes and businesses become more energy efficient. The establishment of a municipal utility is the next step in continuing to ensure that citizens and businesses are provided with utility services that meet the current and future needs of the community.

COUNCIL REPORTS

CR 1. Council Reports

CALIFORNIA CHOICE ENERGY AUTHORITY

No action required at this time.

LANCASTER POWER AUTHORITY

No action required at this time.

LANCASTER SUCCESSOR AGENCY

No action required at this time.

CITY MANAGER / EXECUTIVE DIRECTOR ANNOUNCEMENTS

CITY CLERK / AGENCY / AUTHORITY SECRETARY ANNOUNCEMENT

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PUBLIC BUSINESS FROM THE FLOOR - NON-AGENDIZED ITEMS

This portion of the agenda allows an individual the opportunity to address the Legislative Bodies on any item ***NOT ON THE AGENDA*** regarding City/Agency/Authority business and speaker cards must be submitted ***prior*** to the beginning of this portion of the Agenda. Please complete a speaker card for the City Clerk/Agency/Authority Secretary and identify the subject you would like to address. We respectfully request that you fill the cards out completely and print as clearly as possible. Following this procedure will allow for a smooth and timely process for the meeting and we appreciate your cooperation. State law prohibits the Legislative Body from taking action on items not on the agenda and your matter may be referred to the City Manager/Executive Director. ***Individual speakers are limited to three (3) minutes each.***

COUNCIL / AGENCY/ AUTHORITY COMMENTS

**CITY OF LANCASTER, CALIFORNIA
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CLOSED SESSION

1. Conference with Legal Counsel - Anticipated Litigation: significant exposure to litigation pursuant to Government Code Section 54956.9(d) (2) - two potential cases.
2. Conference with Legal Counsel - Anticipated Litigation: consideration of initiation of litigation pursuant to Government Code Section 54956.9(d) (4) - two potential cases.
3. Conference with Legal Counsel - Existing Litigation - Government Code Section 54956.9(d) (1)
4. Bootleggers 2 v. City of Lancaster, LASC Case No. BS169660
5. Parker v. Lancaster, LASC MC 027827
6. Kappler v. Lancaster, LASC 18STCVO4990
7. Better Neighborhoods v. Lancaster, LASC BS175020
8. Antelope Valley Groundwater Cases
Included Actions:
Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.
Superior Court of California, County of Los Angeles, Case No. BC325201;
Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.
Superior Court of California, County of Kern, Case No. S-1500-CV-254-348
Wm. Bolthouse Farms, Inc. v. City of Lancaster, Diamond Farming Co. v. City of Lancaster,
Diamond Farming Co. v. Palmdale Water District
Superior Court of California County of Riverside, consolidated actions;
Case Nos. RIC 353 840, RIC 344 436, RIC 344 668

ADJOURNMENT

Next Regular Meeting:

Tuesday, May 28, 2019 - 5:00 p.m.

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MEETING ASSISTANCE INFORMATION

In compliance with the Americans with Disabilities Act, this meeting will be held at a location accessible to persons with disabilities; if you need special assistance to participate in this meeting, please contact the City Clerk at (661)723-6020. Services such as American Sign Language interpreters, a reader during the meeting, and/or large print copies of the agenda are available. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting/event you wish to attend. Due to difficulties in securing sign language interpreters, five or more business days notice is strongly recommended. For additional information, please contact the City Clerk at (661)723-6020.

AGENDA ADDENDUM INFORMATION

On occasion items may be added after the agenda has been mailed to subscribers. Copies of the agenda addendum item will be available at the City Clerk Department and are posted with the agenda on the windows of the City Council Chambers. For more information, please call the City Clerk Department at (661) 723-6020.

All documents available for public review are on file with the City Clerk Department.

STAFF REPORT
Lancaster Housing Authority

HA NB 1
05/14/19
JC

Date: April 23, 2019

To: Mayor Parris and Authority Board Members

From: Jason Caudle, City Manager

Subject: **Disposition strategy for property acquired by the Lancaster Housing Authority**

Recommendation:

Adopt **Resolution No. HA 01-19**, a resolution of the Lancaster Housing Authority (the “Housing Authority”) approving a disposition strategy for the sale of single-family residences.

Fiscal Impact:

Revenue from the sale of the home will be approximately \$257,000, minus closing cost, and will be deposited into the Lancaster Housing Authority account number 306-3606-100.

Background:

On August 14, 2007, the Agency Board approved the implementation of the Neighborhood Foreclosure Preservation Home Ownership Program (the “Program”) citywide. The goal of the Program is to reclaim vacant, abandoned properties for affordable housing, to strengthen blocks and neighborhoods by eliminating the blighting effects of vacant properties, and enforce the city codes and city building code requirements. The Program is designed to preserve sustainable homeownership for Lancaster residents by reclaiming foreclosed homes as neighborhood assets. The owner-occupied housing is reserved for qualifying low- or moderate-income families. Such units are subject to occupancy and affordability restrictions recorded against the property as required by Health & Safety Code 33334.2(e)(2).

On January 24, 2012 the Lancaster City Council, adopted Resolution 12-08 assigning the housing functions of the former Lancaster Redevelopment Agency to the Lancaster Housing Authority and making certain findings in connection therewith.

The Lancaster Housing Authority purchased and rehabilitated one property. This property will be marketed and sold to potential homeowners who agree to purchase the property for appraised value and agree to the recording of affordability Covenants, Conditions, and Restrictions. The Affordability Covenants, Conditions, and Restrictions contain affordability requirements and restrict the resale of the property to be owner occupied for forty-five years. The property will be listed and sold through the Greater Antelope Valley Association of Realtors members, via the local area Multiple Listing Service to qualified homebuyers.

One significant component of the removal of blight and revitalization of mature neighborhoods is the rehabilitation of older housing stock. During the economic downturn, there was a substantial number of foreclosures on mortgages throughout the City. The City has purchased and rehabilitated several vacant and foreclosed properties. The homes purchased are typically those in need of the most assistance and not purchased by homeowners or investors when listed on the local Multiple Listing Service. The properties have been rehabilitated with energy efficient features, such as dual pane windows, Energy Star appliances, and drought tolerant landscaping, in an effort to reduce the maintenance cost of the home to the new homeowners.

Rehabilitation of older properties by the Lancaster Housing Authority helps to eliminate blight in the neighborhoods, and it assists the community by providing much needed affordable homeownership for families. Sale of the rehabilitated properties to homeowners will also help provide a better balance of homeowner to investor in the neighborhoods. By encouraging homeownership, the value attributed to the land as a resource increases, as the conditions of physical deterioration and blight due to poor use of the property, squatting and illegal dumping have been removed. The rejuvenation of these properties is further bolstered with the real potential of providing long-term affordable homeownership.

Attachment:

Resolution No. HA 01-19

RESOLUTION NO. HA 01-19

A RESOLUTION OF THE HOUSING AUTHORITY OF THE
CITY OF LANCASTER APPROVING A DISPOSITION
STRATEGY FOR THE SALE OF SINGLE-FAMILY
RESIDENCES

WHEREAS, the Housing Authority is authorized and empowered, to enter into agreements for the acquisition, disposition of real property and otherwise to assist in the pursuant to the Health & Safety Code Sections 34200-34380, to make and execute contracts and other instruments necessary or convenient to the exercise of its powers; and

WHEREAS, the Housing Authority owns residential property in the City of Lancaster, Los Angeles County, State of California, further described shown in Exhibit "A" (the "Property"), and is engaged in activities necessary to execute and implement Health & Safety Code Sections 34200-34300; and

WHEREAS, the Housing Authority desires to enter into California Residential Purchase Agreement and Joint Escrow Instructions (the "Agreement") in order to implement Health & Safety Code Sections 34200-34380 by providing for the sale of property generally, located in the City of Lancaster, further described in Exhibit "A" (the "Property"), and which development of the Property is consistent with previous uses of the Property as well as existing uses of other real property in the surrounding neighborhood; and

WHEREAS, the Agreement does not create any new or additional environmental impacts or any environmental requirements applicable to the proposed use of the Property pursuant to the City's Zoning Ordinance. The Agreement to dispose of the Property and the intended use of the real property is similar in nature to the previous uses of the Property. The use is permitted and is consistent with the General Plan land use designation. The proposed project is not expected to produce any significant impacts to the environment; and

WHEREAS, the disposition of this Property is being considered pursuant to the terms of the Agreement, is in the vital and best interest of the city, and the health, safety, morals and welfare of its residents. Furthermore, this project is in accordance with applicable state and local laws and requirements; and

WHEREAS, the Housing Authority is authorized, with the approval of the Housing Authority, to sell or lease property for development pursuant to Health and Safety Code Sections 34200-34380 upon a determination by the Housing Authority that the disposition of the property will assist in the elimination of blight and that the consideration fair such disposition is not less than the fair market value of the property in accordance with the covenants and conditions governing the disposition and the development costs required thereof; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Housing Authority has duly considered all terms and conditions of the proposed Agreement and believes that the disposition of the sites pursuant thereto is in the best interests of the City of Lancaster the health; safety, and welfare of its residents, and in accord with the public purposes and provisions of application state and local laws and requirements.

NOW, THEREFORE, THE HOUSING AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND FIND AS FOLLOWS:

Section 1. The Housing Authority hereby finds and determines that based upon substantial evidence provided in the record before it, (i) the disposition of the Properties pursuant to the Agreement is in accordance with the covenants and conditions governing the transfer of the Property, and complies with the purposes for the use and maintenance of the Property, which is in the best interest of the community, and (ii) the consideration for the disposition of the Properties pursuant to the terms and conditions of the Agreement is not less than the fair market value in accordance with the covenants, conditions and restrictions imposed under the Agreement and the costs required under the Agreement.

Section 2. The disposition of the Properties by the Housing Authority to potential homebuyers pursuant to the Agreements and any changes mutually agreed upon by the homebuyers and the Executive Director or a designee, in substantial conformance with the Agreements for the properties herewith, which establishes terms and conditions for the transfer of the property are hereby approved by the Housing Authority.

Section 3. The Housing Authority authorizes the Executive Director or a designee thereof to execute the Agreements and to take all steps, and to sign all documents (including the Grant Deed) necessary to implement and carry out the Agreements on behalf of the Housing Authority.

Section 4. The Housing Authority hereby finds and determines that the environmental status of the project remains consistent with the environmental impact reports (EIR) prepared for Project Area 5 and the Agreement does not add new environmental impacts and neither a supplemental nor a subsequent EIR is required.

PASSED, APPROVED and ADOPTED this 14th day of May 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, MMC
Secretary
Lancaster Housing Authority

KITTY KIT YEE SZETO
Chair
Lancaster Housing Authority

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)ss
CITY OF LANCASTER)

CERTIFICATION OF RESOLUTION
LANCASTER HOUSING AUTHORITY

I, _____, _____ City of Lancaster, California, do hereby certify that this is a true and correct copy of the original Resolution No. HA 01-19, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____ day of _____, _____.

(seal)

EXHIBIT "A"

Property Address	Property	APN
350 E. Nugent	Authority	<u>3142-002-910</u>

M 1
05/14/19
JC

**LANCASTER
CITY COUNCIL/SUCCESSOR AGENCY/
FINANCING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
April 23, 2019**

CALL TO ORDER

Vice Mayor/Vice Chair Crist called the meeting of the Lancaster City Council/Successor Agency/Financing/ Power/California Choice Energy Authority to order at 5:01 p.m.

ROLL CALL

PRESENT: City Council Members /Agency Directors /Authority Members: Malhi, Underwood-Jacobs; Vice Mayor/Vice Chair Crist

ABSENT: Council Member/Agency Director/Authority Member Mann; Mayor/Chair Parris

On a motion by Council Member Underwood-Jacobs and seconded by Council Member Malhi, the City Council/Successor Agency/Financing/ Power/California Choice Energy Authority excused Council Member/Agency Director/Authority Member Mann and Mayor/Chair Parris, by the following vote: 3-0-0-2; AYES: Malhi, Underwood-Jacobs, Crist; NOES: None; ABSTAIN: None; ABSENT: Mann, Parris

STAFF MEMBERS:

City Manager/Executive Director; Assistant City Manager/Assistant Executive Director; City Attorney/Agency/Authority Counsel; City Clerk/Agency/Authority Secretary; Assistant to the City Manager, Parks, Recreation and Arts Director; Development Services Director; Finance Director; Housing Director; Chief of Police/Public Safety Director

INVOCATION

Pastor John Meadors, Christian Life Assembly

PLEDGE OF ALLEGIANCE

Council Member Underwood-Jacobs

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
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PRESENTATIONS

1. Recognition of 2018-2019 Women's Cal Pac Champions: University of Antelope Valley
Presenter: Mayor Parris
2. Recognition of 2018-2019 Men's Cal Pac Champions: University of Antelope Valley
Presenter: Mayor Parris
3. Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award
Presenter: Pam Statsmann, Finance Director

**HA NB 1. DISPOSITION STRATEGY FOR PROPERTY ACQUIRED BY THE
LANCASTER HOUSING AUTHORITY**

Vice Chair Crist stated due to lack of a quorum the Housing Authority item will be removed from the agenda.

M 1. MINUTES

On a motion by Council Member Underwood-Jacobs and seconded by Council Member Malhi, the City Council/Successor Agency/Financing/Power/California Choice Energy Authority approved the City Council/Successor Agency/Financing/Power/California Choice Energy Authority Regular Meeting Minutes of March 26, 2019, by the following vote: 3-0-0-2; AYES: Malhi, Underwood-Jacobs, Crist; NOES: None; ABSTAIN: None; ABSENT: Mann, Parris

CONSENT CALENDAR

Item No. CC 15 was removed for separate discussion.

On a motion by Council Member Underwood-Jacobs and seconded by Council Member Malhi, the City Council approved the Consent Calendar with the exception of Item No. CC 15 by the following vote: 3-0-0-2; AYES: Malhi, Underwood-Jacobs, Crist; NOES: None; ABSTAIN: None; ABSENT: Mann, Parris

Addressing the City Council on Item No. CC 15:

Michael Rives – discussed pollution associated with waiting times at major intersections and stated homeowners should not be restricted to electric machines due to the danger of electrocution.

On a motion by Council Member Underwood-Jacobs and seconded by Council Member Malhi, the City Council approved Item No. CC 15, by the following vote: 3-0-0-2; AYES: Malhi, Underwood-Jacobs, Crist; NOES: None; ABSTAIN: None; ABSENT: Mann, Parris

CCEA CC 1. RESOLUTION NO. CCEA 04-19

Adopted **Resolution No. CCEA 04-19**, approving and authorizing the cities of Baldwin Park, Commerce, Hanford, Palmdale, and Pomona (Cities) to enter into the Joint Exercise of Powers Agreement for the California Choice Energy Authority.

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
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CCEA CC 2. AMENDED AND RESTATED BYLAWS AND POLICIES OF THE CALIFORNIA CHOICE ENERGY AUTHORITY

- a. Approved the First Amended and Restated Bylaws of the California Choice Energy Authority; and authorized the Executive Director, or his designee, to execute all necessary documents.
- b. Adopted **Resolution No. CCEA 05-19**, a resolution of the Board of the California Choice Energy Authority, approving and adopting policies for the California Choice Energy Authority.

CCEA CC 3. PROFESSIONAL SERVICES AGREEMENT WITH FRONTIER ENERGY

Approved the Professional Services Agreement with Frontier Energy for Energy Efficiency Consulting Services, and authorized the Executive Director, or his designee, to execute all documents.

CC 1. ORDINANCE WAIVER

Waived further reading of any proposed ordinances. (This permits reading the title only in lieu of reciting the entire text.)

CC 2. CHECK REGISTERS

Approved the Check and Wire Registers for March 10, 2019 through April 6, 2019 in the amount of \$6,969,914.50. Approved the Check Registers as presented.

CC 3. INVESTMENT REPORT

Accepted and approved the March 2019, Monthly Report of Investments as submitted.

CC 4. HOUSING RIGHTS CENTER SUB-RECIPIENT AGREEMENT

Approved the Sub-Recipient Agreement between the City of Lancaster and the Housing Rights Center to provide fair housing services to the residents of Lancaster for the 2019 Community Development Block Grant (CDBG) Program Year.

CC 5. RESOLUTION NO. 19-14

Adopted **Resolution No. 19-14**, summarily vacating and abandoning the easement for storm drain and drainage purposes within lot 15 of Tract Map No. 54025 located near Lancaster Boulevard and 20th Street East.

CC 6. RESOLUTION NO. 19-15

Adopted **Resolution No. 19-15**, approving the Senate Bill 1 (SB 1) Proposed Project List Form and allocating funds in the fiscal year 2019-2020 Capital Improvement Budget to clarify Road Maintenance and Rehabilitation Account (RMRA) funded projects.

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CC 7. PARCEL MAP NO. 72532-01

Approved the map and accepted the dedications as offered on the map for Parcel Map No. 72532-01; made findings that this project will not violate any of the provisions of Sections 66473.5, 66474.1, and 66474.6 of the Subdivision Map Act; and instructed the City Clerk to endorse on the face of the map the certificate, which embodies the approval of said map and the dedications shown thereon.

CC 8. TASK ORDER NO. 1 WITH KIMLEY-HORN AND ASSOCIATES, INC., OF LOS ANGELES, CALIFORNIA

Approved Task Order No. 1 with Kimley-Horn and Associates, Inc., of Los Angeles, California, in accordance with the Multi-Year Professional Services Agreement (Service Group Category 1 -Roadway and Structures Engineering) in the amount of \$2,194,151.00, with a 5% contingency; and authorized the City Manager, or his designee, to sign all documents.

CC 9. HEAVY-DUTY VEHICLE LIFT

Approved the replacement of the in-ground, heavy-duty vehicle lift in the Vehicle Maintenance building at the City's Corporate Yard.

CC 10. PUBLIC WORKS CONSTRUCTION PROJECT NO. 18-001

Awarded **Public Works Construction Project No. 18-001**, 2018 Pavement Management Program (Revive 25), to All American Asphalt of Corona, California, in the amount of \$ 1,396,040.35 Base Bid, plus Additive Alternate A1 in the amount of \$ 757,633.06, Additive Alternate A2 in the amount of \$ 167,357.33, and Additive Alternate A3 in the amount of \$399,072.91, for a Total Bid of \$2,720,103.65, plus a 10% contingency, to repair and resurface approximately 42 lane-miles of streets as part of the City's REVIVE 25 program; and authorized the City Manager, or his designee, to sign all documents. This contract is awarded to the lowest responsible bidder per California Public Code Section 22038 (b).

CC 11. CITY OF LANCASTER'S VEHICLE REPLACEMENT AND MAINTENANCE PROGRAM

- a. Approved a Vehicle Replacement and Maintenance Program for the City of Lancaster.
- b. Approved a Master Equity Lease Agreement between the City of Lancaster and Enterprise Fleet Management Inc.
- c. Approved a Vehicle Maintenance Agreement between the City of Lancaster and Enterprise Fleet Management Inc.
- d. Approved the list of designated surplus vehicles and authorized Enterprise Fleet Management Inc. to liquidate designated surplus vehicles on behalf of the City of Lancaster.
- e. Authorized the City Manager to execute the Master Equity Lease and Vehicle Maintenance Agreements and any amendments between the City of Lancaster and Enterprise Fleet Management Inc.

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
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CC 12. LANCASTER BLVD FIFTY-FOUR (54) CAMERAS

Approved the purchase and installation of fifty-four (54) cameras along Lancaster Blvd.

CC 13. ORDINANCE NO. 1058

Adopted **Ordinance No. 1058**, adopting Development Agreement No. 18-01 for the Avanti South Master Planned Community (Specific Plan No. 15-02/Tentative Tract Map No. 74312) to establish specific development rights.

CC 14. ORDINANCE NO. 1059, ORDINANCE NO. 1060, ORDINANCE 1061, ORDINANCE 1062

- a. Adopted **Ordinance No. 1059**, amending Chapter 2.30 of the Lancaster Municipal Code regarding membership of the Criminal Justice Commission.
- b. Adopted **Ordinance No 1060**, amending Chapter 2.34 of the Lancaster Municipal Code regarding membership of the Architectural and Design Planning Commission.
- c. Adopted **Ordinance No. 1061**, amending Chapter 2.37 of the Lancaster Municipal Code regarding membership of the Lancaster Homeless Impact Commission.
- d. Adopted **Ordinance No. 1062**, amending Chapter 2.38 of the Lancaster Municipal Code regarding membership of the Lancaster Healthy Community Commission.

CC 15. ORDINANCE NO. 1063

Adopted **Ordinance No. 1063**, adding Chapter 8.70 to the Lancaster Municipal Code concerning use of gasoline powered landscape equipment by landscape maintenance businesses.

PH 1. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2019 ONE-YEAR ACTION PLAN

Vice Mayor Crist opened the Public Hearing.

It was the consensus of the City Council to waive the Staff Report for this item.

Vice Mayor Crist closed the Public Hearing.

On a motion by Council Member Underwood-Jacobs and seconded by Council Member Malhi, the City Council approved the proposed projects described herein for the City of Lancaster's 2019 CDBG One-Year Action Plan application to be submitted to the United States Department of Housing and Urban Development, by the following vote: 3-0-0-2; AYES: Malhi, Underwood-Jacobs, Crist; NOES: None; ABSTAIN: None; ABSENT: Mann, Parris

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
April 23, 2019

PH 2. RESOLUTION AMENDING LANCASTER CHOICE ENERGY CUSTOMER POWER GENERATION RATE SCHEDULE

Vice Mayor Crist opened the Public Hearing.

It was the consensus of the City Council to waive the Staff Report for this item.

Vice Mayor Crist closed the Public Hearing.

On a motion by Council Member Underwood-Jacobs and seconded by Council Member Malhi, the City Council adopted **Resolution No. 19-16**, amending Resolution No. 19-13 amending customer power generation rates for Lancaster Choice Energy effective with meter reads beginning April 12, 2019, by the following vote: 3-0-0-2; AYES: Malhi, Underwood-Jacobs, Crist; NOES: None; ABSTAIN: None; ABSENT: Mann, Parris

NB 1. JANE REYNOLDS SKATE PARK

The Parks, Recreation and Arts Director presented the Staff Report for this item.

Addressing the City Council on this item:

Fran Sereseres – thanked the City Council for their work to make this project a reality and discussed activities at the park.

Michael Rives – discussed his feelings for Jane Reynolds Park, liability legislation related to skate parks, and potential noise and traffic related to the skate park.

Discussion among the City Council and staff included discussion of noise associated with all parks in the City.

On a motion by Council Member Underwood-Jacobs and seconded by Council Member Malhi, the City Council approved the design for the Jane Reynolds Skate Park as presented by City staff, by the following vote: 3-0-0-2; AYES: Malhi, Underwood-Jacobs, Crist; NOES: None; ABSTAIN: None; ABSENT: Mann, Parris

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
April 23, 2019

NB 2. AMENDMENT TO SECTION 15.04.100 OF THE LANCASTER MUNICIPAL CODE AND CHAPTER 15.12 BY ADDING SECTION 15.12.050 CONCERNING STAND-ALONE ENERGY SYSTEMS

It was the consensus of the City Council to waive the Staff Report for this item.

On a motion by Council Member Underwood-Jacobs and seconded by Council Member Malhi, the City Council introduced Ordinance No. 1064 amending section 15.04.100 of the Lancaster Municipal Code and Chapter 15.12 by adding Section 15.12.050 concerning stand-alone energy systems allowing residents and business owners the ability to construct and operate stand-alone energy systems, disconnected from any and all local utility grids, by the following vote: 3-0-0-2; AYES: Malhi, Underwood-Jacobs, Crist; NOES: None; ABSTAIN: None; ABSENT: Mann, Parris

CR 1. RECEIVE A REPORT OF THE PROCEEDINGS AND ISSUES DISCUSSED AT THE FEBRUARY REGULAR BOARD OF DIRECTORS MEETING OF THE ANTELOPE VALLEY TRANSIT AUTHORITY (AVTA)

Vice Mayor Crist discussed the budget for AVTA.

CR 2. COUNCIL REPORTS

Vice Mayor Crist discussed upcoming event at the fairgrounds honoring Council Member Malhi for his work in education.

Council Member Underwood-Jacobs discussed the recent 4.0 Student Recognition Dinner and discussed an event held at The Highlands Church.

LANCASTER FINANCING AUTHORITY

No action required at this time.

LANCASTER POWER AUTHORITY

No action required at this time.

LANCASTER SUCCESSOR AGENCY

No action required at this time.

CITY MANAGER / EXECUTIVE DIRECTOR ANNOUNCEMENTS

The City Manager showed two videos highlighting recent milestone for BYD and the Annual *CEDARFEST* Exhibition. The City Manager also provided a video for the upcoming California Poppy Festival.

Los Angeles Sheriff Department Captain Todd Weber discussed upcoming Law Day being held at the Fairgrounds.

Los Angeles County Assistant Fire Chief Sullivan discussed upcoming Fire Service Day being held May 4, 2019.

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
April 23, 2019

CITY CLERK /AGENCY/AUTHORITY SECRETARY ANNOUNCEMENT

The City Clerk provided the public with the procedure to address the City Council/Successor Agency/Authority regarding non-agendized item.

PUBLIC BUSINESS FROM THE FLOOR - NON-AGENDIZED ITEMS

Addressing the City Council at this time:

Fran Sereseres – discussed BYD milestone, upcoming AVTA “Get Aboard Day”, sidewalks repaired in the City and thanked the Council for the cameras being installed on The BLVD.

David Paul – discussed the joyous noise associated with the skate park, the difference made by BYD, stated he enjoys being a part of the city and discussed requesting President Trump to pardon Leroy Baca.

Malia – requested the City Council do something about cyber security and hacking impacting senior citizens.

COUNCIL COMMENTS

Council Member Underwood-Jacobs discussed the impact being made for the citizens by the City Council and stated she is proud to be a part of it.

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
April 23, 2019

RECESS

Vice Mayor Crist recessed the meeting at 6:06 p.m. for the purpose of conducting a Closed Session meeting regarding the following matters:

CLOSED SESSION

1. Conference with Legal Counsel - Anticipated Litigation: significant exposure to litigation pursuant to Government Code Section 54956.9(d) (2) - two potential cases.
2. Conference with Legal Counsel - Anticipated Litigation: consideration of initiation of litigation pursuant to Government Code Section 54956.9(d) (4) - two potential cases.
3. Conference with Legal Counsel - Existing Litigation - Government Code Section 54956.9(d) (1)
4. Bootleggers 2 v. City of Lancaster, LASC Case No. BS169660
5. Parker v. Lancaster, LASC MC 027827
6. Kappler v. Lancaster, LASC 18STCVO4990
7. Better Neighborhoods v. Lancaster, LASC BS175020
8. Antelope Valley Groundwater Cases
Included Actions:
Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.
Superior Court of California, County of Los Angeles, Case No. BC325201;
Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.
Superior Court of California, County of Kern, Case No. S-1500-CV-254-348
Wm. Bolthouse Farms, Inc. v. City of Lancaster, Diamond Farming Co. v. City of Lancaster, Diamond Farming Co. v. Palmdale Water District
Superior Court of California County of Riverside, consolidated actions;
Case Nos. RIC 353 840, RIC 344 436, RIC 344 668
9. Conference with real property negotiators
Property: APNs 3123-009-039, 3123-009-038
Lancaster Negotiators: Jason Caudle and Chenin Dow
Negotiating Parties: TRU 2005 RE I LLC
Under Negotiation: price and terms of payment

RECONVENE

Vice Mayor Crist reconvened the meeting at 6:25 p.m.

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
April 23, 2019

CITY ATTORNEY ANNOUNCEMENT

The City Attorney announced the City Council met in Closed Session and discussed Item No. 9 and gave direction to staff and legal counsel; no reportable action.

ADJOURNMENT

Vice Mayor Crist adjourned the meeting at 6:25 p.m. and stated the next City Council/Successor Agency/Financing/Power/California Choice Energy Authority meeting will be held on Tuesday, May 14, 2019 at 5:00 p.m.

PASSED, APPROVED and ADOPTED this 14th day of May, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, MMC
CITY CLERK
AGENCY/AUTHORITY SECRETARY

R. REX PARRIS
MAYOR/CHAIRMAN

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
April 23, 2019

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }ss
CITY OF LANCASTER }

CERTIFICATION OF MINUTES
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/CALIFORNIA
CHOICE ENERGY AUTHORITY

I, _____, _____ of the City of Lancaster,
CA, do hereby certify that this is a true and correct copy of the original City Council/Successor
Agency/Financing/Housing/Power/California Choice Energy Authority Minutes, for which the
original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, CA on this
_____ day of _____, _____.

(seal)

STAFF REPORT
City of Lancaster

Date: May 14, 2019
To: Mayor Parris and City Council Members
From: Pam Statsmann, Finance Director
Subject: **Check Registers – April 7, 2019 through April 27, 2019**

CC 2
05/14/19
JC

Recommendation:

Approve the Check Registers as presented.

Fiscal Impact:

\$ 8,929,156.41 as detailed in the Check Registers.

Background:

At each regular City Council Meeting, the City Council is presented with check and ACH/wire registers listing the financial claims (invoices) against the City for purchase of materials, supplies, services, and capital projects issued the prior three to four weeks. This process provides the City Council the opportunity to review the expenditures of the City. Claims are paid via checks, Automated Clearing House (ACH) payments, or federal wires. The justifying backup information for each expenditure is available in the Finance Department.

Check Nos.:	7403411-7403804	\$ 2,896,182.19
ACH/Wire Check Nos.:	101010309-101010331	<u>\$ 6,032,974.22</u>
		\$ 8,929,156.41
Voided Check No.:	N/A	
Voided ACH/Wire No.:	101010309	

PS:sp

Attachments:

Check Register
ACH/Wire Register

City of Lancaster Check Register



From Check No.: 101010309 - To Check No.: 101010331

From Check Date: 04/07/19 - To Check Date: 04/27/19

Printed: 5/2/2019 16:39

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
101010309	VOID					
101010310	07172	ENERGY AMERICA, LLC	01/19-LCE ENERGY CHARGS-SPOWER	1,539,988.02	490 4250301	22,671.11
					490 4250653	1,517,316.91
				<u>1,539,988.02</u>		<u>1,562,659.13</u>
101010311	07936	WESTERN ANTELOPE DRY RANCH LLC	02/19-LCE ENERGY CHARGS-SPOWER	78,874.48	490 4250653	78,874.48
101010312	09359	TULLETT PREBON AMERICAS CORP.	CCEA-RA BROKERAGE FEE	3,431.25	490 4250653	3,431.25
101010313	C6435	SIEMANTEL, BRIEN	VOUCHER #00144344-PP7	1,686.30	101 2150000	1,686.30
101010314	09046	SAN GORGONIO FARMS INC	03/19-ENRGY CPCTY-FNL CRDT	12,474.00	491 4250004E	12,474.00
101010315	A8765	FIRST AMERICAN TITLE CO	SA PARCEL CLOSING COSTS	27,329.39	991 4240741	27,329.39
101010316	A7515	U S BANK	DEBT SERVICES DUE-05/19	442,027.28	486 4250981	442,027.28
101010317	A7515	U S BANK	DEBT SERVICES DUE-05/19	849,841.98	701 4400978	849,841.98
101010318	C9589	U S BANK CORP PAYMENT SYSTEMS	04/10/19-CALCARD STATEMENT	93,368.24	101 2601000	93,368.24
101010319	04763	CITY OF LANCASTER-PAC P/C	PAC/PF-ATM CASH REQUEST	20,000.00	101 1020006	20,000.00
101010320	08327	EDF TRADING NORTH AMERICA, LLC	03/19-RESOURCE ADEQUACY PRCRD	20,900.00	490 4250653	20,900.00
101010321	08688	HIGH DESERT POWER PROJECT, LLC	04/19-ENERGY PROCUREMENT	27,000.00	490 4250653	27,000.00
101010322	09331	CA CHOICE ENERGY AUTHORITY	REIMB-CALCHOICE-MARCH/GOOGLE	305,343.00	490 4250301	150,000.00
					490 4250301	155,343.00
				<u>305,343.00</u>		<u>305,343.00</u>
101010323	04867	CITY OF LANCASTER-PARKS	PF-CHANGE FUND	38,900.00	101 1020004	38,900.00
101010324	07101	CALPINE ENERGY SOLUTIONS LLC	02/19-RESOURCE ADEQUACY PRCRD	16,500.00	490 4250653	16,500.00
101010325	08087	THE BAYSHORE CONSULTING GROUP	03/19-CCEA-ADMIN & MGMT SCVS	46,173.75	491 4250301	46,173.75
101010326	08916	TENASKA POWER SERVICES CO	LCE-CARBON FREE ENERGY	87,028.50	490 4250653	87,028.50
101010327	00370	CITY OF LANCASTER/PETTY CASH	PETTY CASH DRAW	331.00	101 1020000	331.00
101010328	00370	CITY OF LANCASTER/PETTY CASH	PETTY CASH EXPENSE	130.75	101 4770201	20.00
					101 4783200	60.00
					101 4783206	50.75
				<u>130.75</u>		<u>130.75</u>

City of Lancaster Check Register



From Check No.: 101010309 - To Check No.: 101010331

Printed: 5/2/2019 16:39

From Check Date: 04/07/19 - To Check Date: 04/27/19

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
101010329	05987	THE VISITORS BUREAU/LANCASTER	02/19 TBID FEES	40,496.49	101 2501000	40,496.49
101010330	07172	ENERGY AMERICA, LLC	01/19-LCE ENERGY CHARGS-SPOWER	2,256,116.10	490 4250301	26,506.81
					490 4250653	2,229,609.29
				<u>2,256,116.10</u>		<u>2,256,116.10</u>
101010331	07936	WESTERN ANTELOPE DRY RANCH LLC	03/19-LCE ENERGY CHARGS-SPOWER	125,033.69	490 4250653	125,033.69

Chk Count 23

Check Report Total 6,032,974.22

City of Lancaster Check Register



From Check No.: 7403411 - To Check No.: 7403804
 From Check Date: 04/07/19 - To Check Date: 04/27/19

Printed: 5/2/2019 16:33

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7403411	D1507	A B C-ALCOHOL BEVERAGE CONTROL	PF-BEVERAGE PERMIT	50.00	101 4649567	50.00
7403412	00107	A V PRESS	03/19-ON THE NET ADS	82.00	101 4305205	82.00
7403413	00107	A V PRESS	02/19-ADVERTISING	130.00	101 4650205	130.00
7403414	07381	BULLOCK, AMY	PERF-MONDAY BITEZ-4/01/19	400.00	101 4641251	400.00
7403415	D3482	DEPT OF ALCOHOLIC BEVRG CONTRL	PAC-ALCOHOL LICENSE RENEWAL	1,010.00	106 4100301	1,010.00
7403416	C8990	GARIBAY, PATRICIA	PG-PR DM-SAN DIEGO-04/16-17/19	106.50	101 4220256	106.50
7403417	07354	HAWLEY, ROBYN	03/19 AM EXERCISE INSTRUCTION	70.00	101 4643308	70.00
7403418	D1701	HITE, TIMIKA	TH-PR DM-SAN DIEGO-04/15-17/19	160.00	101 4315256	160.00
7403419	D0412	KATZ, BRUCE	BK-PR DM-AURORA-04/15-17/19	190.00	480 4755201	190.00
7403420	1215	L A CO WATERWORKS	01/28/19-03/27/19 WATER SVC	1,904.92	203 4636654	269.79
					482 4636654	1,635.13
				<u>1,904.92</u>		<u>1,904.92</u>
7403421	09372	MELENDEZ, ROBERTO	RM-TRVL-LAS VEGAS-3/31-4/3/19	552.99	101 4410201	266.47
					101 4410203	286.52
				<u>552.99</u>		<u>552.99</u>
7403422	06936	MOSMAN, DESIREA	03/19 AM EXERCISE INSTRUCTION	490.00	101 4643308	490.00
7403423	08912	MUELLER, JOHN	BAL-ONE NIGHT MEMPHIS-04/12/19	5,000.00	101 4650318	5,000.00
7403424	08821	MUROW CM	KENSINGTON CAMPUS DESIGN SVCS	1,000.00	306 4542901K	1,000.00
7403425	08821	MUROW CM	AVE I & SIERRA HWY IMPROVEMNTS	1,250.00	361 4541901S	1,250.00
7403426	07634	NEVAREZ, GABE	GN-PR DM-AURORA-04/15-17/19	190.00	203 4752201	190.00
7403427	09347	NGUYEN, KAREN	KN-PR DM-SAN DIEGO-04/16-17/19	106.50	101 4220256	106.50
7403428	09419	PREREQUISITE LLC	RFND-BUSINESS LICENSE FEES	55.20	101 3102300	55.20
7403429	1705	QUARTZ HILL WATER DISTRICT	03/01/19-04/01/19 WATER SVC	2,621.47	101 4634654	896.57
					203 4636654	312.86
					482 4636654	1,412.04
				<u>2,621.47</u>		<u>2,621.47</u>
7403430	09423	REAGAN, EVANGELINE	RFND-BUSINESS LIC FOG FEE	352.00	480 3601100	352.00

City of Lancaster Check Register



From Check No.: 7403411 - To Check No.: 7403804

From Check Date: 04/07/19 - To Check Date: 04/27/19

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Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7403431	08740	SFG RETIREMENT PLAN CONSULTING	Q3-Q4-ICMA CONSULTING FEES	12,328.13	101 4220301	3,467.46
					101 4220301	8,860.67
				<u>12,328.13</u>		<u>12,328.13</u>
7403432	03154	SO CA EDISON	03/01/19-04/01/19 ELECTRIC SVC	98.00	483 4785660	98.00
7403433	03154	SO CA EDISON	02/27/19-04/03/19 ELECTRIC SVC	172.41	209 12ST032924	56.92
					232 15BW005924	28.05
					482 4636652	37.37
					483 4785660	50.07
				<u>172.41</u>		<u>172.41</u>
7403434	03154	SO CA EDISON	07/05/17-04/08/19 ELECTRIC SVC	2,024.46	483 4785652	1,656.41
					483 4785660	368.05
				<u>2,024.46</u>		<u>2,024.46</u>
7403435	C2554	SUPERIOR COURT OF CA-CO OF L A	03/19-ALLCTN OF PRKG PENALTIES	19,671.20	101 3310200	102.20
					101 3310200	1,969.50
					101 3310200	1,969.50
					101 3310200	1,969.50
					101 3310200	2,626.00
					101 3310200	3,183.50
					101 3310200	3,912.00
					101 3310200	3,939.00
				<u>19,671.20</u>		<u>19,671.20</u>
7403436	07266	THOMAS, JOSH	RFND-EXTRAVAGANZA SUPPLIES	242.60	101 4640251	242.60
7403437	09421	WARREN COOPER, MONIQUE	RFND-BUSINESS LICENSE FEES	177.00	101 2179004	4.00
					101 3102200	92.00
					101 3102250	81.00
				<u>177.00</u>		<u>177.00</u>
7403438	09420	WEFILE INC	RND-BUSINESS LICENSE FEES	350.40	101 3102200	276.00
					101 3102250	56.00
					101 3102300	18.40
				<u>350.40</u>		<u>350.40</u>
7403439	07358	YELLOW BRICK ROAD ENTERTAINMNT	BAL-BRITISH ROCK RYLTY-4/13/19	2,500.00	101 4650318	2,500.00
7403440	02071	A G SOD FARMS INC	OMP-SOD	882.35	101 4634404	882.35
7403441	C0077	A V E K	NSC-02/19-BACTERIOLOGICAL TEST	20.00	101 4635301	20.00
			MTNC YD-BACTERIOLOGICAL TESTS	46.00	485 4755301	46.00
				<u>66.00</u>		<u>66.00</u>
7403442	A5389	A V FAIR	02/19-WATCH & WAGER COMM	2,911.24	101 2189000	2,911.24
7403443	03854	A V JANITORIAL SUPPLY	MLK-NITRILE GLOVES/TRASH LINRS	801.81	101 4649566	801.81
7403444	06294	A V WEB DESIGNS	NSC-04/19-MONTHLY HOSTING CHGS	99.95	101 4645301	99.95

City of Lancaster Check Register



From Check No.: 7403411 - To Check No.: 7403804

From Check Date: 04/07/19 - To Check Date: 04/27/19

Printed: 5/2/2019 16:33

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7403445	03312	ALCORN FENCE CO	AVE I/50TH ST-GUARDRAIL RPRS	18,200.00	203 4752460	18,200.00
7403446	09242	ALIANZA RECYCLING & RECOVERY	RECYCLING SVCS FEE-EWASTE EVNT	416.49	101 4755355	416.49
7403447	A8728	ALL THINGS ENGRAVABLE	MEDALS(279)	1,680.28	101 4641251	1,680.28
7403448	D3147	AMERICAN PLUMBING SERVICES,INC	OMP-RESTROOM REPAIRS OMP-DRINKING FOUNTAIN REPAIRS MTNC YD-BACKFLOW REPAIR NSC-BACKFLOW TESTING NSC-BACKFLOW REPAIR	372.51 194.00 988.00 127.50 1,996.30 <u>3,678.31</u>	101 4634402 101 4634402 203 4752402 101 4635402 101 4635402	372.51 194.00 988.00 127.50 1,996.30 <u>3,678.31</u>
7403449	D3188	AMERICAN RED CROSS	LIFEGUARD CLASS(1 STUDENT) LIFEGUARD CLASS(4 STUDENTS)	38.00 152.00 <u>190.00</u>	101 4642301 101 4642301	38.00 152.00 <u>190.00</u>
7403450	05251	AMTECH ELEVATOR SERVICES	04/19-ELEVATOR SERVICE	1,018.50	101 4632301 101 4633301 101 4650301	254.62 254.63 509.25 <u>1,018.50</u>
7403451	02693	ANDY GUMP, INC	OMP-FENCE RNTL-03/18-04/14/19	44.68	101 4634602	44.68
7403452	09090	ANTELOPE VALLEY LIGHT BULBS	NSC-LED POST TOP LIGHTS(3)	1,385.93	101 4635404	1,385.93
7403453	06799	BRAUN BLAISING SMITH WYNNE PC	02/19-LCE-LEGAL CONSULTING	42,396.52	101 4100303 490 4250303 491 4250303	669.00 8,974.43 32,753.09 <u>42,396.52</u>
7403454	08094	BURRELLESLUCE	03/19-MONTHLY MEDIA CHARGES	334.60	101 4305301	334.60
7403455	08118	BYD ENERGY LLC	LED STREET LIGHTS(16)	3,343.69	483 4785460	3,343.69
7403456	04827	C & M OVERHEAD DOORS, INC	MTNC YD-ANNUAL DOOR MAINTENANC	2,696.00	203 4752402	2,696.00
7403457	08484	CONSOLIDATED ELECTRCL DIST INC	PARKING LOT LIGHTS(7)	1,034.78	101 4633403	1,034.78
7403458	07131	DE LAGE LANDEN FINANCIAL SVCS	04/15/19-05/14/19 NETWRK PRNTR	168.95	101 4800254	168.95
7403459	04067	DELL MARKETING LP	DELL HARDWARE WARRANTY SVCS DELL HARDWARE WARRANTY SVCS	5,470.79 3,705.39 <u>9,176.18</u>	101 4315302 101 4305302 101 4315302	5,470.79 664.92 3,040.47 <u>9,176.18</u>
7403460	L0601	DESBOINE, BRADON	LCE-NEM 2018 ANNUAL PAYOUT	555.38	490 4250658	555.38
7403461	A0925	DESERT HAVEN ENTERPRISES	03/19-NSP1 MONTHLY SERVICE	674.16	306 4542770 306 4542770 306 4542770	224.72 224.72 224.72

City of Lancaster Check Register



From Check No.: 7403411 - To Check No.: 7403804

From Check Date: 04/07/19 - To Check Date: 04/27/19

Printed: 5/2/2019 16:33

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
				674.16		674.16
7403462	00414	DESERT LOCK COMPANY	CH-KEYS(7)	18.33	101 4633403	18.33
			OMP-LOCK REPAIR/REKEY	156.20	101 4634402	156.20
				<u>174.53</u>		<u>174.53</u>
7403463	05473	DEWEY PEST CONTROL	MTNC YD-04/18-PEST CONTROL	137.00	203 4752301	137.00
			MLS-04/19-PEST CONTROL	90.00	101 4633301	90.00
			WH-04/19-PEST CONTROL	70.00	101 4633301	70.00
			PAC-04/18-PEST CONTROL	50.00	101 4650301	50.00
			CH-04/19-PEST CONTROL	140.00	101 4633301	140.00
			CDR ST-04/18-PEST CONTROL	90.00	101 4651301	90.00
			LUC-04/18-PEST CONTROL	75.00	101 4633301	75.00
			LBP-04/18-PEST CONTROL	95.00	101 4636301	95.00
				<u>747.00</u>		<u>747.00</u>
7403464	04450	DISPENSING TECHNOLOGY CORP	SCARIFR/VACUUM ATTCHMNT RPLCMT	11,634.35	211 4785763	11,634.35
7403465	03072	DONNELL PRINTING	BUSINESS CARDS(4000)	1,489.20	101 4240259	93.08
					101 4305259	186.15
					101 4545253	186.15
					101 4761253	93.08
					101 4783253	372.30
					101 4785253	279.21
					101 4800253	186.15
					203 4752253	93.08
				<u>1,489.20</u>		<u>1,489.20</u>
7403466	06857	ENTERTAINMENTMAX, INC	CMMSSNS-J PIZZARELLI-04/01/19	1,500.00	101 4650301	1,500.00
7403467	09129	FARO TECHNOLOGIES INC	ONSITE FORENSICS TRAINING	7,623.00	101 4100753	7,623.00
7403468	D3240	FASTENAL COMPANY	MTNC YD-PLASTIC ROTARY PUMP	204.80	203 4752230	204.80
			MTNC YD-LATEX GLOVES(300)	169.21	203 4752209	169.21
				<u>374.01</u>		<u>374.01</u>
7403469	00617	FEDERAL EXPRESS CORPORATION	EXPRESS MAILINGS	163.96	101 1110000	22.36
					101 4230212	18.34
					101 4650212	38.74
					306 4542212	53.24
					480 4755212	31.28
				<u>163.96</u>		<u>163.96</u>
7403470	07124	FIRST AMERICAN DATA TREE, LLC	03/19-PROFESSIONAL SERVICES	500.00	101 4230301	500.00
7403471	09329	HALL ENERGY LAW PC	02/19-LEGAL/PROFESSIONAL SVCS	10,829.00	491 4250303	10,829.00
			03/19-LEGAL/PROFESSIONAL SVCS	19,278.00	491 4250303	19,278.00
				<u>30,107.00</u>		<u>30,107.00</u>
7403472	07044	HARTMAN, BRETT D	DETENTION BASINS-RSRCE MNGMNT	3,193.10	224 13EV001924	3,193.10
7403473	D0501	HIESL CONSTRUCTION INC	350 E NGNT-INSTLL DOORS/CHNDLR	1,225.00	306 4542682	1,225.00

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Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
			350E NUGENT-DOOR INSTLLTNS	1,800.00	306 4542682	1,800.00
				3,025.00		3,025.00
7403474	09422	JONES, DENISE	RFND-PARKING CITATION-23022275	63.00	101 3310200	63.00
7403475	L0824	KURIYAMA, KALVIN	LCE-NEM 2018 ANNUAL PAYOUT	419.49	490 4250658	419.49
7403476	1214	L A CO SHERIFF'S DEPT	01/19-SPCL EVNTS-PARTY CAR	1,821.75	101 4820355	1,648.64
					101 4820357	173.11
			02/19-SPECIAL INVESTIGATIONS	1,902.28	101 4820355	1,721.52
					101 4820357	180.76
				3,724.03		3,724.03
7403477	A4930	LANDALE MUTUAL WATER COMPANY	L/CHALLENGER-03/19 WATER SVC	56.27	203 4636654	56.27
7403478	04351	LYN GRAFIX	PF-LAPEL PINS(300)	923.78	101 4649567	923.78
7403479	D3578	MINUTEMAN PRESS	LCE-CALPINE PUSH NOTICES(225)	211.39	490 4250212	211.39
			LCE-CALPINE PUSH NOTICES(219)	151.41	490 4250212	151.41
				362.80		362.80
7403480	D2822	NATIONAL CINEMEDIA, LLC	THEATER ADS-03/01-28/19	658.33	101 4649567	658.33
			PS-THEATER ADS-02/22-03/21/19	95.83	101 4800205	95.83
				754.16		754.16
7403481	06148	NIK-O-LOK, INC	04/19-MONTHLY COIN LOCK LEASE	39.00	101 4633301	39.00
7403482	D2634	O'REAR, JEFFREY R	03/19-PRODUCTION SERVICES	400.00	101 4649225	400.00
7403483	03762	OFFICE DEPOT	LCE-OFFICE SUPPLIES	107.57	490 4250259	107.57
			LCE-LABELS	8.75	490 4250259	8.75
			LCE-USB CABLE	18.71	490 4250259	18.71
			LCE-USB CAR CHARGER	20.79	490 4250259	20.79
				155.82		155.82
7403484	07540	OFFICETEAM	LC-HR STAFF-03/18-22/19	1,452.00	101 4220308	1,452.00
			LC-HR STAFF-03/25-29/19	1,479.23	101 4220308	1,479.23
				2,931.23		2,931.23
7403485	09288	ORTIZ AIR INC	BAL-MINI SPLIT PUMP SYSTEM	1,850.00	213 11BS023924	1,850.00
7403486	05741	P P G ARCHITECTURAL FINISHES	PAINT/GRAFFITI RMVL SUPPLIES	312.09	203 4752502	312.09
			PAINT	39.36	203 4752502	39.36
			CH-PAINT	19.67	101 4633404	19.67
			NSC-FIELD PAINT	1,060.62	101 4635404	1,060.62
				1,431.74		1,431.74
7403487	09275	PACIFIC COAST LOCATORS	DIG ALERT SERVICE	9,500.00	480 4755301	3,166.67
					483 4785301	3,166.67
					484 4755301	3,166.66
				9,500.00		9,500.00

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7403488	06984	PACIFIC DESIGN & INTEGRATION	03/19-BROADCAST MTNG SERVICES	5,181.00	101 4305296	5,181.00
7403489	07249	PATRIOT PLUMBING	MLS-DRAIN STOPPAGE REPAIR	190.00	101 4633402	190.00
7403490	08930	PAVEMENT ENGINEERING INC	2018 PVMNT MNGNG CNSLTNG SVCS	25,875.00	210 12ST037924	25,875.00
7403491	05998	PAVING THE WAY FOUNDATION	CMMNTY SPPRT/GOOD CTZNSHP PRGM	500.00	101 4820301	500.00
			CMMNTY SPPRT/GOOD CTZNSHP PRGM	1,968.00	101 4820301	1,968.00
				<u>2,468.00</u>		<u>2,468.00</u>
7403492	07287	PRINTING BOSS	MLK-WOODEN SIGNS(2)	869.76	101 4649566	869.76
7403493	C5395	PRO ACTIVE WORK HEALTH SERVICES	DS-DMV DOT PHYSICAL-03/07/19	69.00	101 4220301	69.00
			JM-DMV DOT PHYSICAL-03/14/19	69.00	101 4220301	69.00
			JL-DMV DOT PHYSICAL-03/11/19	69.00	101 4220301	69.00
			RM-PHYS/ESCRN/TB/XRAY-03/01/19	130.00	101 4220301	130.00
			JA-PHYS/ESCRN/TB TSTS-03/04/19	100.00	101 4220301	100.00
				<u>437.00</u>		<u>437.00</u>
7403494	C4435	ROACH'S TERMITE PEST CONTROL	NSC-02/19 PEST CONTROL	185.00	101 4635402	185.00
			NSC-03/19 PEST CONTROL	185.00	101 4635402	185.00
				<u>370.00</u>		<u>370.00</u>
7403495	D3947	S G A CLEANING SERVICES	LMS-ADA IMPROVEMENTS	4,800.00	227 11ZZ004924	4,800.00
			PDW-GRAFFITI REMOVAL	285.00	101 4634402	285.00
				<u>5,085.00</u>		<u>5,085.00</u>
7403496	A8260	SAGE STAFFING	AT-LCE STAFF-03/18-22/19	1,002.00	490 4250308	1,002.00
7403497	08790	SECURE TASK	MTNC YD-03/19-SECURITY PATROL	4,728.00	207 4752301	4,728.00
7403498	1894	SIGNS & DESIGNS	COUNCIL CHMBRS DAIS SIGN-GOMEZ	13.14	101 4100259	13.14
			COUNCIL CHAMBERS SIGN	13.14	101 4100259	13.14
			PAC-CETERA/MARIACHI SIGNS	142.35	101 4650205	142.35
			MA-FACEPLATE	13.14	101 4410259	13.14
				<u>181.77</u>		<u>181.77</u>
7403499	05952	SINCLAIR PRINTING COMPANY	SPRING 2019 OUTLK RPRNT(63310)	33,171.93	101 4305253	19,903.16
					101 4643253	13,268.77
				<u>33,171.93</u>		<u>33,171.93</u>
7403500	5210	SLATER PIANO SERVICE	PAC-PIANO TUNING-J PIZZARELLI	100.00	101 4650301	100.00
			BLVD PAINO REPAIRS	400.00	101 4633404	400.00
				<u>500.00</u>		<u>500.00</u>
7403501	01816	SMITH PIPE & SUPPLY INC	NSC-IRRIGATION SUPPLIES	409.58	101 4635404	409.58
7403502	08988	SMITH, CHRISTINA	03/19 CONSULTING SRVCS	6,000.00	101 4300308	6,000.00
7403503	05339	SNAP-ON INDUSTRIAL	MTNC YD-SWIVEL GRIPPER SET	75.35	203 4752208	75.35

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7403504	06672	SO CAL DESIGN	BULLFROGS-DRAFT SYSTM INSTLLTN	5,110.00	213 11BS023924	5,110.00
7403505	04688	SPARKLETTS	WATER(4-24PKS)	41.73	101 4100205	41.73
7403506	D2143	STREAMLINE AUDIO VISUAL, INC	PAC-AUDIO EQ/ENG-11/25-26/18 PAC-AUDIO EQUIP/ENG-01/19/19	1,725.00 <u>1,995.00</u> 3,720.00	101 4650602 101 4650602	1,725.00 <u>1,995.00</u> 3,720.00
7403507	05590	STUDIO EQUIPMENT RENTALS INC	MBC-GENERATOR RNTL-12/10/18	980.00	101 4649565	980.00
7403508	05545	SUPERIOR LIGHTING & ELECTRIC	BGC-EXIT LIGHT FIXTURE	53.90	101 4633403	53.90
7403509	A6479	TAFT ELECTRIC COMPANY	427 AVE J15-RMV/RPLC POLE WIRE 44602 BEECH-RMV/RPLC POLE WIRE	2,300.00 <u>2,300.00</u> 4,600.00	483 4785460 483 4785460	2,300.00 <u>2,300.00</u> 4,600.00
7403510	08087	THE BAYSHORE CONSULTING GROUP	03/19-CCEA-CCA OPERATION SPPRT 03/19-CCEA-CCA OPERATION SPPRT 03/19-CCEA-RMEA SUPPORT 03/19-CCEA-SJP SUPPORT 03/19-CCEA-PRIME SUPPORT	2,500.00 2,500.00 2,500.00 2,500.00 <u>2,500.00</u> 12,500.00	490 4250301 491 4250013P 491 4250004P 491 4250001P 491 4250002P	2,500.00 2,500.00 2,500.00 2,500.00 <u>2,500.00</u> 12,500.00
7403511	D1594	TOUCHPOINT ENERGIZED COMM	04/19-E NEWSLETTER SVC	180.00	101 4305302	180.00
7403512	D4104	TROUTMAN SANDERS LLP	02/19-CCEA-PROFESSIONAL SVCS	234.50	490 4250303	234.50
7403513	08783	UNIFIRST CORPORATION	UNIFORM CLEANINGS	110.49	480 4755209	110.49
7403514	31009	UNIVERSAL ELECTRONIC ALARMS	MTNC YD-04/19-FIRE ALARM MTNC YD-04/19-SECURITY ALARM	27.00 <u>27.00</u> 54.00	203 4752301 203 4752301	27.00 <u>27.00</u> 54.00
7403515	05834	VENCO WESTERN, INC	03/19-LMD MAINTENANCE 03/19-LBP-LANDSCAPE MTNC	37,320.00 <u>3,626.23</u> 40,946.23	101 4631402 101 4634402 101 4635402 482 4636401	18,750.00 9,570.00 9,000.00 <u>3,626.23</u> 40,946.23
7403516	C2434	VINSA INSURANCE ASSOCIATES	CCEA-PLCY CHNGE-LCASDRNA201819	100.00	491 4250260	100.00
7403517	04496	VULCAN MATERIAL WESTERN DIV	COLD MIX COLD MIX ASPHALT COLD MIX	141.08 1,589.98 182.70 <u>1,563.13</u> 3,476.89	203 4752410 203 4752410 203 4752410 203 4752410	141.08 1,589.98 182.70 <u>1,563.13</u> 3,476.89
7403518	31026	WAXIE SANITARY SUPPLY	CH-CARPET CLEANER PARTS OMP-JANITORIAL SUPPLIES	272.44 <u>1,981.10</u> 2,253.54	101 4633406 101 4634406	272.44 <u>1,981.10</u> 2,253.54

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7403519	D0298	WILLDAN FINANCIAL SERVICES	10/18-CFD PROFESSIONAL SRVCS	6,757.00	101 4200301	6,757.00
7403520	09293	GOOGLE LLC	ENRGY CST OPTMZTN/DVLPMT SVCS	150,000.00	491 4370301	150,000.00
7403521	06681	PACIFIC ENERGY ADVISORS, INC	03/19-CCEA CONSULTING SERVICES	16,562.96	491 4250013P	16,562.96
			03/19-CCEA CONSULTING SERVICES	16,000.00	491 4250003P	16,000.00
			03/19-CCEA CONSULTING SERVICES	16,961.45	491 4250002P	16,961.45
			03/19-CCEA CONSULTING SERVICES	16,000.00	491 4250004P	16,000.00
			03/19-CCEA CONSULTING SERVICES	16,648.33	491 4250001P	16,648.33
				<u>82,172.74</u>		<u>82,172.74</u>
7403522	06313	R C BECKER & SON, INC	CP17020-AVE I CORRDR IMPRVMNTS	148,434.17	150 2100003	(6,930.73)
					150 2100003	(881.59)
			CP17020-AVE I CORRDR IMPRVMNTS	66,042.86	206 15ST042924	156,246.49
					150 2100003	(3,475.94)
					206 15ST042924	69,518.80
				<u>214,477.03</u>		<u>214,477.03</u>
7403523	D1507	A B C-ALCOHOL BEVERAGE CONTROL	ZELDAS-MANAGER ADDITION TO LIC	163.00	101 4650311	163.00
7403524	06066	A T & T	DOJ-03/19-TELEPHONE SERVICE	305.83	101 4315651	305.83
7403525	06066	A T & T	LIVESCAN CONNECTION	1,013.32	101 4315651	1,013.32
7403526	09431	AZTECA RESTAURANT FAMILY ENT	RFND-BUSINESS LICENSE FOG FEE	223.00	480 3601100	223.00
7403527	09429	BROSNAN RISK CONSULTANTS	RFND-BUSINESS LICENSE FEES	92.00	101 3102300	92.00
7403528	C2060	CA WATER SERVICE COMPANY	03/09/19-04/09/19 WATER SVC	72.17	482 4636654	72.17
7403529	09062	COMFORT INN & SUITES	RFND-TBID ASSESSMENTS	2,835.45	101 2501000	2,835.45
7403530	08018	DANIELIAN ASSOCIATES INC	REIMB-ARC-PLOTTING/PRINTING	994.35	361 4541901D	994.35
7403531	08018	DANIELIAN ASSOCIATES INC	01/19-PROFESSIONAL SERVICE	1,000.00	361 4541901N	1,000.00
7403532	08018	DANIELIAN ASSOCIATES INC	01/19-PROFESSIONAL SERVICE	6,650.00	361 4541904BN	6,650.00
7403533	08018	DANIELIAN ASSOCIATES INC	01/19-PROFESSIONAL SERVICE	11,500.00	361 4541901H	11,500.00
7403534	D0588	FIRST PACIFICA DEVELOPMENT	RLS OF MONUMENTTN-TRN 54199-01	6,050.00	101 2503001	6,050.00
7403535	D1189	GARNER, TERRI	TG-LDGE-LAS VEGAS-3/30-4/3/19	856.05	101 4220256	856.05
7403536	09336	HARNE, MICHAEL	MH-TRVL-LAS VEGAS-03/03-05/19	148.27	101 4220256	41.71
					483 4785201	106.56
				<u>148.27</u>		<u>148.27</u>
7403537	1296	L A CO CLERK-ENVIRO FILINGS	NOE:CH RENOVATION/RMDL 713-19	75.00	101 4770361	75.00
7403538	1215	L A CO WATERWORKS	02/04/19-04/09/19 WATER SVC	5,381.01	203 4636654	1,361.81

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					306 4542684	47.95
					363 4542770	47.95
					482 4636654	3,923.30
				5,381.01		5,381.01
7403539	D2287	LANCASTER CODE ENFCMNT ASSN	UNION DUES-PP 08-2019	360.00	101 2171000	360.00
7403540	C3710	PAYROLL-CONFIDENTIAL		30.00	101 2150000	30.00
7403541	D0614	MC CASLIN, CHRISTOPHER	CM-LDGE-LAS VEGAS-03/04-07/19	100.28	483 4785201	100.28
7403542	D1105	MONTERO, MAYRA	MM-LDGE-LAS VEGAS-3/30-4/3/19	1,111.16	101 4220256	1,111.16
7403543	09428	MOSS, SUSAN	RFND-PERMIT FEES	564.00	101 3201102	62.00
					101 3201102	75.00
					101 3201104	105.00
					101 3201104	230.00
					101 3201106	92.00
				564.00		564.00
7403544	09430	NEVAREZ, NICOLE CHERE	RFND-BUSINESS LICENSE FEES	50.00	101 3102200	50.00
7403545	A7221	P E R S LONG TERM CARE PROGRAM	LONG TERM CARE PREM-PP 08-2019	1,226.92	101 2170200	1,226.92
7403546	07951	PEREA, MAYRA	MP-LDGE-LAS VEGAS-3/30-4/3/19	1,111.16	101 4220256	1,111.16
7403547	D4359	PAYROLL-CONFIDENTIAL		101.00	101 2150000	101.00
7403548	1705	QUARTZ HILL WATER DISTRICT	03/01/19-04/01/19 WATER SVC	703.00	203 4636654	367.23
					482 4636654	335.77
				703.00		703.00
7403549	07668	REGENCY HILLS HOMES III LLC	TR 54007-SECURITY RELEASE	4,850.00	101 2503001	4,850.00
7403550	07668	REGENCY HILLS HOMES III LLC	TR 54025-SECURITY RELEASE	10,350.00	101 2503001	10,350.00
7403551	09426	RENAISSANCE CENTER	RFND-DAMAGE DEPOSIT-MOAH	259.00	101 2182001	259.00
7403552	07994	RODRIGUEZ, OSCAR	OR-CWEA CERT REIMBURSEMENT	170.00	101 4220311	170.00
7403553	09427	SAKU SAKI SUSHI	RFND-BUSINESS LICENSE FOG FEE	352.00	480 3601100	352.00
7403554	03154	SO CA EDISON	03/06/19-04/05/19 ELECTRIC SVC	69.76	482 4636652	53.44
					483 4785660	16.32
				69.76		69.76
7403555	03154	SO CA EDISON	03/05/19-04/03/19 ELECTRIC SVC	935.15	203 4636652	274.90
					482 4636652	660.25
				935.15		935.15
7403556	03154	SO CA EDISON	10/31/18-04/15/19 ELECTRIC SVC	6,992.37	480 4755652	393.76
					483 4785652	4,302.95

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					483 4785660	36.38
					484 4755652	159.58
					485 4755652	1,499.07
					490 4250652	600.63
				6,992.37		6,992.37
7403557	03154	SO CA EDISON	02/06/19-04/11/19 ELECTRIC SVC	14,025.34	101 4631652	5,646.75
					101 4633652	4,105.81
					101 4634652	1,461.53
					101 4635652	1,730.00
					101 4636402	295.36
					101 4651652	347.01
					101 4800403	148.81
					482 4636652	26.35
					483 4785660	263.72
				14,025.34		14,025.34
7403558	A2089	SO CA EDISON-ACCTS REC	CP17005-43912 GSDSN-ST LT INST	1,018.80	210 15SW017924	1,018.80
7403559	A2089	SO CA EDISON-ACCTS REC	CP17005-438 W J10-ST LT INSTLL	1,027.58	210 15SW017924	1,027.58
7403560	1907	SO CA GAS COMPANY	03/05/19-04/03/19 GAS SVC	14.30	101 4631655	14.30
7403561	A1393	TEAMSTERS LOCAL 911	04/19 UNION DUES	3,242.00	101 2157000	3,242.00
7403562	07941	PAYROLL-CONFIDENTIAL		29.00	101 2150000	29.00
7403563	C2555	TIME WARNER CABLE	04/19-TV SERVICE-VICE MAYOR	34.23	101 4315651	34.23
7403564	C2555	TIME WARNER CABLE	03/28-04/27/19-BUSINESS TV-ACS	82.50	101 4315651	82.50
7403565	C2555	TIME WARNER CABLE	04/19-BUSINESS-MAYORS OFFICE	194.80	101 4315651	194.80
7403566	C2555	TIME WARNER CABLE	04/19-INTERNET/TV SERVICE	195.48	101 4315651	195.48
7403567	C2555	TIME WARNER CABLE	04/19-ROADRUNNER SERVICE	259.23	101 4315651	259.23
7403568	D2264	VARELA, MELISSA	MV-REIMB-CITY BIZ SUPPLIES	60.19	101 4200251	60.19
7403569	D3370	VERIZON WIRELESS	03/19-WIRELESS SERVICE	2,284.89	101 4315651	2,284.89
7403570	D3370	VERIZON WIRELESS	IPADS(10)	2,586.90	101 4315291	2,586.90
7403571	09425	WHITT, MINI	RFND-YOGA REGISTRATION	60.00	101 2182001	60.00
7403572	02071	A G SOD FARMS INC	LMS-SOD	670.59	101 4632404	670.59
7403573	06576	A V CHEVROLET	MOLDING-EQ4329	63.60	483 4785207	63.60
7403574	C0077	A V E K	NSC-03/19-BACTERIOLOGICAL TEST	20.00	101 4635301	20.00
7403575	03854	A V JANITORIAL SUPPLY	LMS-JANITORIAL SUPPLIES	888.59	101 4632406	888.59

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			LMS-JANITORIAL SUPPLIES	402.41	101 4632406	402.41
			LMS-JANITORIAL SUPPLIES	1,220.38	101 4632406	1,220.38
			LMS-TRASH CANS(6)	345.45	101 4632403	345.45
				<u>2,856.83</u>		<u>2,856.83</u>
7403576	06099	A V RECYCLING CENTER	WINCHESTER SAFE(1)	700.00	101 4800251	700.00
7403577	08894	ADHERENCE COMPLIANCE INC	MEDICAL CANNABIS SUPPORT SVCS	3,500.00	101 4230301	3,500.00
7403578	05694	ADVANTEC CONSULTING ENGINEERS	CP16001-ITS EXPANSION PROJECT	11,130.00	217 11TS001924	2,226.00
					321 11TS001924	8,904.00
			CP16001-ITS EXPANSION PROJECT	10,410.00	217 16TS028924	5,205.00
					321 16TS028924	5,205.00
				<u>21,540.00</u>		<u>21,540.00</u>
7403579	04117	ALL VALLEY CONCRETE PUMPING	PBP-ROCK PUMP RNTL-04/09/19	500.00	101 4631404	500.00
7403580	03085	ALNA ENVELOPE	ENVELOPES(44000)	1,427.06	101 4410253	1,427.06
7403581	D3147	AMERICAN PLUMBING SERVICES,INC	LMS-DRAIN REPAIR	509.50	101 4632402	509.50
			LMS-DRAIN REPAIR	97.00	101 4632402	97.00
				<u>606.50</u>		<u>606.50</u>
7403582	04760	AMERINAT	03/19-MONTHLY SERVICE FEE	536.55	306 4542301	536.55
7403583	04190	AMERIPRIDE SERVICES	UNIFORM CLEANINGS	72.35	101 4753209	72.35
7403584	01933	AMERON	REPLACEMENT ST LIGHT POLE	2,783.25	483 4785460	2,783.25
7403585	05251	AMTECH ELEVATOR SERVICES	MOAH-ELEVATOR REPAIR	1,587.00	101 4633301	1,587.00
7403586	02693	ANDY GUMP, INC	RDP-FENCE RNTL-03/22-04/18/19	33.51	101 4634602	33.51
			OMP-FENCE RNTL-04/02-29/19	33.51	101 4634602	33.51
			HP-FENCE RNTL-04/04-05/01/19	17.74	101 4634602	17.74
				<u>84.76</u>		<u>84.76</u>
7403587	03485	BAKERSFIELD TRUCK CENTER	CYLINDER-EQ3998	139.46	480 4755207	139.46
			HOSE ASSY/HOSE-EQ3782	443.39	203 4752207	443.39
				<u>582.85</u>		<u>582.85</u>
7403588	C9428	BEACON ATHLETICS LLC	LMS-HOME PLATE TURF MAT	908.28	101 2175000	(74.39)
					101 4632404	982.67
			LMS-SIFTING SHOVEL	204.16	101 2175000	(16.72)
					101 4632208	220.88
				<u>1,112.44</u>		<u>1,112.44</u>
7403589	06243	C S A PARTNERS LTD	STIR-VILLAGE PRKWY SPECIFC PLN	12,300.00	101 4240301	12,300.00
7403590	07612	CA COMMUNITY CHOICE ASSOC	CCEA FY18/19 MEMBER DUES	42,110.00	491 4250206	42,110.00
7403591	D2438	CALIFORNIA CONSULTING, INC	04/19-GRANT WRITING SERVICES	2,450.00	104 4631402	2,450.00

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7403592	03475	CLARK AND HOWARD	TOWING FEES-EQ5787	50.00	101 4631207	50.00
			TOWING FEES-EQ5615/EQ5812	100.00	101 4632207	50.00
					101 4634207	50.00
				<u>150.00</u>		<u>150.00</u>
7403593	05128	CLEANSTREET	03/19 MONTHLY STREET SWEEP	44,820.62	203 4752450	43,820.62
					484 4752450	1,000.00
				<u>44,820.62</u>		<u>44,820.62</u>
7403594	05696	D D L TRAFFIC INC	BATTERIES(40)	7,924.00	483 4785461	7,924.00
7403595	03311	DELTA LIQUID ENERGY	REVALVE FOR FORKLIFT	39.02	203 4752217	39.02
			PROPANE(27.95 GALS)	47.59	203 4752217	47.59
				<u>86.61</u>		<u>86.61</u>
7403596	00414	DESERT LOCK COMPANY	LMS-RE-KEY/IC CORES	207.97	101 4632402	207.97
			R&R KNOBS/DEAD BOLT	180.00	101 4633403	180.00
			CH-KEYS	8.00	101 4633403	8.00
			PAC-CABINET KEYS(3)	11.50	101 4633403	11.50
			CH-KEYS(8)	15.14	101 4633403	15.14
			LMS-DOOR REPAIR	65.00	101 4632402	65.00
			CH-KEYS(3)	9.86	101 4410259	9.86
				<u>497.47</u>		<u>497.47</u>
7403597	06380	EWING IRRIGATION PRODUCTS, INC	LMS-INFIELD PROSLIDE	9,832.66	213 12BS014924	9,832.66
			LMS-CONDITIONER	1,332.13	101 4632404	1,332.13
				<u>11,164.79</u>		<u>11,164.79</u>
7403598	00617	FEDERAL EXPRESS CORPORATION	EXPRESS MAILINGS	264.49	101 4100212	129.72
					101 4600212	54.08
					217 16ST005924	21.62
					349 15ST037924	27.78
					361 4541213	31.29
			EXPRESS MAILINGS	48.47	101 4600212	26.85
					491 4250212	21.62
				<u>312.96</u>		<u>312.96</u>
7403599	09355	FELBER, WELSEY	VLNTR MEAL ALLOWANCE(13 DAYS)	234.00	101 4240340	234.00
7403600	A9988	FIRE ACE INC	OMP-TEST FIRE SPRINKLERS	1,500.00	101 4634402	1,500.00
7403601	D1793	FISH WINDOW CLEANING	LMS-WINDOW CLEANING	720.00	101 4632402	720.00
7403602	08441	FRANKLIN TRUCK PARTS INC	STUD-EQ3367	8.71	203 4752207	8.71
7403603	08308	GET HOOKED CRANE SERVICE INC	MTNC YD-HOIST EQPMNT RNTL	455.00	206 16ST006924	455.00
7403604	04721	GET TIRES, INC	TIRES(4)OTR SRVC-EQ3777	2,502.25	203 4752207	2,502.25
			TIRES(2)/SVC CALL-EQ3757	681.38	203 4752207	681.38
				<u>3,183.63</u>		<u>3,183.63</u>

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7403605	C9980	GRANICUS, INC	04/19-GOVRMNT TRANSPRNCY SUITE	2,481.00	101 4305296	720.00
					101 4305402	1,761.00
				<u>2,481.00</u>		<u>2,481.00</u>
7403606	09217	GRAY QUARTER INC	03/19-TECHINICAL CONSULTING	7,955.00	101 4315302	7,955.00
7403607	08753	GRIFFCO PAINTING	LMS-PAINT UPSTAIRS/ELEVATOR LMS-PAINT RESTROOMS LMS-PAINT RESTROOMS	1,500.00	101 4632402	1,500.00
				1,600.00	101 4632402	1,600.00
				1,950.00	101 4632402	1,950.00
				<u>5,050.00</u>		<u>5,050.00</u>
7403608	00822	H W HUNTER, INC	HANDLE-EQ5707	77.61	101 4634207	77.61
7403609	00849	HAAKER EQUIPMENT CO	SUCTION HOSE-EQ3779	1,559.68	480 4755207	1,559.68
7403610	03631	HARRIS & ASSOCIATES, INC.	2/24-3/30/19-AUDIT/PRFSSNL SVC	11,642.50	480 4700301	2,122.50
					482 4700301	3,905.00
					483 4700301	2,570.00
					484 4700301	3,045.00
					480 4700301	2,724.00
			2/24-3/30/19-AUDIT/PRFSSNL SVC	14,437.50	482 4700301	5,805.00
					483 4700301	2,961.00
					484 4700301	2,947.50
				<u>26,080.00</u>		<u>26,080.00</u>
7403611	819	HERC RENTALS INC	LMS-GRINDER RNTL-03/26/19	79.43	101 4632602	79.43
7403612	01682	HIRO'S TRANSMISSION	SOLENOID ASSY-EQ3307	2,910.39	484 4752207	2,910.39
7403613	09083	INT'L BUSINESS MACHINES CORP	WATSON DATA PLATFORM SUPPORT WATSON DATA PLATFORM SUPPORT	3,316.69	101 4200302	3,316.69
				1,592.00	101 4200302	1,592.00
				<u>4,908.69</u>		<u>4,908.69</u>
7403614	A2594	INTERSTATE BATTERY SYS OF A V	BATTERY-EQ5858 BATTERY-EQ6811 BATTERY-EQ2309	83.07	101 4634207	83.07
				98.66	101 4545207	98.66
				97.66	101 4753207	97.66
				<u>279.39</u>		<u>279.39</u>
7403615	01419	JOHNSTONE SUPPLY	LMS-ICE MACHINE CLEANER THERMOMETER	149.50	101 4632403	149.50
				81.00	101 4633403	81.00
				<u>230.50</u>		<u>230.50</u>
7403616	08363	KAMBRIAN CORPORATION	IT-HP COMPUTER MONITORS(120)	24,372.00	101 4315291	24,372.00
7403617	D1903	KERN MACHINERY INC-LANCASTER	BRK CLPR ASSY-EQ5835 WHEEL KIT-EQ5832	400.06	101 4635207	400.06
				35.33	101 4634207	35.33
				<u>435.39</u>		<u>435.39</u>
7403618	03575	LANCASTER AUTO INTERIORS	LBR/SEAT RPR-EQ5654 LBR/SEAT RPR-EQ5707	325.00	101 4635207	325.00
				300.00	101 4634207	300.00
				<u>625.00</u>		<u>625.00</u>

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7403619	C7873	LANCASTER AUTO MALL ASSOC	04/19-AUTO MALL SIGN EXPENSES	930.67	101 4240340	930.67
7403620	5191	LU'S LIGHTHOUSE, INC	LED MINIBAR-EQ7610	522.63	101 4762207	522.63
7403621	07126	MAILFINANCE INC.	02/01-04/30/19 LEASE PAYMENT	965.40	101 4600211	965.40
7403622	06836	MARTINEZ PUBLICATIONS CORP	HOUSING-ADVERTISING	2,200.00	361 4541206	2,200.00
7403623	02270	MELDON GLASS	OMP-PICTURE FRAME GLASS RPLCMN	20.00	101 4634402	20.00
7403624	1397	METRO FLOORS	LMS-HOME CLBHOUSE CRPT RPLCMNT	16,308.60	227 12BS014924	16,308.60
7403625	09236	MILAM CUSTOM TILE & MARBLE	OMP-RESTROOM DEMO	4,472.94	213 11BS023924	4,472.94
			OMP-RESTROOM DEMO	13,418.82	213 11BS023924	13,418.82
				<u>17,891.76</u>		<u>17,891.76</u>
7403626	D3578	MINUTEMAN PRESS	LCE-ENERGY ADVISOR FLYERS(500)	125.31	490 4250205	125.31
7403627	01184	MONTE VISTA CAR WASH	CAR WASHES(12)	200.50	101 4545207	15.50
					101 4545207	17.00
					101 4545207	17.00
					101 4545207	17.00
					101 4761207	17.00
					101 4783207	17.00
					101 4783207	17.00
					101 4800207	17.00
					101 4800207	17.00
					203 4752207	16.00
					480 4755207	17.00
					486 4250207	16.00
				<u>200.50</u>		<u>200.50</u>
7403628	C9177	MUNISERVICES, LLC	LTC DISCOVERY-03/19	873.39	101 4410304	873.39
7403629	08562	NAPA AUTO PARTS	BRGHT LM CRSSVR-EQ7610	329.09	101 4762207	329.09
			FILTERS(2)-EQ3315	202.60	203 4752207	202.60
			DISC BRAKE ROTOR-EQ5654	169.94	101 4635207	169.94
			CDT/DISC BRAKE ROTOR-EQ5654	(169.94)	101 4635207	(169.94)
			BRK CNTRL DPT-EQ5707	9.35	101 4634207	9.35
			BELT AC-EQ5858	17.82	101 4634207	17.82
			WIPER BLADE-EQ6811	8.32	101 4545207	8.32
			FLAPDISC-EQ3351	41.86	484 4755207	41.86
			TIP DRILL SET-EQ4337	44.93	203 4785207	44.93
			RADIATOR-EQ7768	171.69	101 4783207	171.69
			GLOVES-EQ3409	8.20	203 4752207	8.20
			OIL/AIR FILTERS(3)-EQ4337	19.53	203 4785207	19.53
			CDT/CORE DEPOSIT-EQ6810	(48.18)	101 4762207	(48.18)
			RADIATOR HOSES(2)-EQ7768	28.34	101 4783207	28.34
			MSTR DSCNNCT SWTCH-EQ4361	28.23	203 4785207	28.23
				<u>861.78</u>		<u>861.78</u>

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7403630	09302	NEWMAN-HARRISON, SUSAN	PF-SOCIAL MEDIA CAMPAIGN	1,500.00	101 4649567	1,500.00
7403631	05741	P P G ARCHITECTURAL FINISHES	LMS-RESTROOM PAINT	258.09	101 4632403	258.09
			LMS-HANDRAIL PAINT	278.66	101 4632403	278.66
			LMS-PAINT SUPPLIES	12.69	101 4632403	12.69
			CH-GRAFFITI REMOVAL SUPPLIES	183.24	101 4633404	183.24
				<u>732.68</u>		<u>732.68</u>
7403632	02169	PATTON'S METAL WORKING	BASE PLATES(6)-EQ4337	120.63	203 4785207	120.63
7403633	05532	PLAYPOWER LT FARMINGTON INC	OMP-REPLACEMENT PLAYGRND PARTS	2,437.03	101 4634404	2,437.03
7403634	06874	PRINTS4LIFE	NSC-UNIFORM POLOS(65)	1,160.70	101 4635209	1,160.70
7403635	06087	PRIORITY AUTO GLASS	WINDSHLD/KIT-EQ4329	175.00	483 4785207	175.00
7403636	04361	PROTECTION ONE	LMS-04/19-ALARM MONITORING	52.02	101 4632301	52.02
			LMS-04/19 ELEVATOR MAINTENANCE	37.58	101 4632301	37.58
				<u>89.60</u>		<u>89.60</u>
7403637	05864	QUINN COMPANY	SWTCH/LATCH-EQ3777	454.42	203 4752207	454.42
			ELMNT/FLTRS/KIT-EQ3840	280.17	484 4752207	280.17
				<u>734.59</u>		<u>734.59</u>
7403638	A9382	R H A LANDSCAPE ARCHITECTS	LANC PARKS IMPROVEMENT PLAN	1,800.00	104 4631402	1,800.00
			SKATEPARK-DESIGN/CONSLTNG SVCS	8,005.30	701 11BS028924	8,005.30
				<u>9,805.30</u>		<u>9,805.30</u>
7403639	04849	RICH MEIER'S LANDSCAPING INC	HP-WOOD CHIP REMOVAL	2,375.00	227 11ZZ004924	2,375.00
7403640	D2003	S C A P	BK-2019/2020 MEMBERSHIP DUES	538.00	480 4755206	538.00
7403641	D3947	S G A CLEANING SERVICES	LMS-POLE PAINT	545.00	101 4632402	545.00
			LMS-CLUB HOUSE CLEANING	585.00	101 4632402	585.00
			LMS-RESTROOM FLOOR CLEANING	465.00	101 4632402	465.00
			LMS-IRRIGATION REPAIRS	515.00	101 4632402	515.00
			LMS-ADA RESTROOM RENOVATION	1,750.00	227 11ZZ004924	1,750.00
			LMS-PAINT/PLUMBING REPAIRS	765.00	101 4632402	765.00
			LMS-IRRIGATION REPAIRS	585.00	101 4632402	585.00
				<u>5,210.00</u>		<u>5,210.00</u>
7403642	06664	SEA SUPPLY	NSC-JANITORIAL SUPPLIES	301.32	101 4635406	301.32
7403643	D2568	SEQUOIA PACIFIC SOLAR I, LLC	PAC-03/19(32463.68 KWH)	3,246.37	101 4650652	3,246.37
			CH-03/19(84348.48 KWH)	8,434.85	101 4633652	8,434.85
			LMS-03/19(53523.92KWH)	5,352.39	101 4632652	5,352.39
			OMP-03/19(15639.43 KWH)	1,563.94	101 4634652	1,563.94
			MTNC YD-03/19(49013.28 KWH)	4,901.33	101 4633652	4,901.33
				<u>23,498.88</u>		<u>23,498.88</u>
7403644	01816	SMITH PIPE & SUPPLY INC	LMS-ROUNDUP PRO MAX	108.41	101 4632404	108.41

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			WCP-IRRIGATIONS SUPPLIES	167.37	101 4631404	167.37
			WCP-IRRIGATION SUPPLIES	165.84	101 4631404	165.84
			OMP-SPRINKLERS	383.06	101 4634404	383.06
			NSC-IRRIGATION SUPPLIES	63.38	101 4635404	63.38
				<u>888.06</u>		<u>888.06</u>
7403645	09313	SO COUNTIES LUBRICANTS LLC	OMP-GENERATOR FUEL	21.90	101 4634403	21.90
7403646	08917	SOFTWARE & VINE INC	01/19-03/19-WEB HOSTING/MTNC	2,500.00	306 4542355	2,500.00
7403647	09160	ST. FRANCIS ELECTRIC, LLC	03/19-STREET LIGHTING MTNC	1,513.75	483 4785460	1,513.75
7403648	06963	SURFACE	WALK IN COOLER RENOVATIONS	22,312.00	227 11BS023924	22,312.00
7403649	2007	TARGET SPECIALTY PRODUCTS	MTNC YD-ROUNDUP PROMAX	22,599.06	203 4752408	22,599.06
7403650	09316	TEKWERKS INTERNET	04/19-INTERNET SERVICE	1,575.00	101 4315651	1,575.00
7403651	2009	THE TIRE STORE	TIRES(4)-EQ6811	335.50	101 4545207	335.50
7403652	08805	THEISEN, THERESE	04/18 SPORTS OFFICIAL	30.00	101 4641308	30.00
7403653	C5522	THOMSON REUTERS-WEST PMT CENT	03/19-INFORMATION CHARGES	572.46	101 4230301	572.46
			LIBRARY PLAN-03/05/19-04/04/19	26.28	101 4230301	26.28
				<u>598.74</u>		<u>598.74</u>
7403654	04239	TIM WELLS MOBILE TIRE SERVICE	SERVICE CALL-EQ3415	110.00	480 4755207	110.00
			SERVICE CALL-EQ3783	83.93	203 4752207	83.93
			SERVICE CALL-EQ3367	123.14	203 4752207	123.14
				<u>317.07</u>		<u>317.07</u>
7403655	D1594	TOUCHPOINT ENERGIZED COMM	02/19-MAYORS EMAIL BROADCAST	2,500.00	101 4100205	2,500.00
			03/19-MAYORS EMAIL BROADCAST	2,500.00	101 4100205	2,500.00
				<u>5,000.00</u>		<u>5,000.00</u>
7403656	09267	TRAFFIC SUPPLY	RPLCMNT TRAFFIC CONTROL SIGNS	9,020.80	203 4752455	9,020.80
7403657	C6713	TRISTAR SAFETY SERVICES	LBR/SGNL BOARD RPR-EQ3407	1,303.87	203 4752207	1,303.87
7403658	02977	TURBO DATA SYSTEMS INC	03/19-PARKNG CITATN PROCESSING	6,919.02	101 4800301	6,919.02
			03/19 ADMIN CITATIONS	50.57	101 4810301	50.57
				<u>6,969.59</u>		<u>6,969.59</u>
7403659	A2124	UNDERGROUND SERVICE ALERT/SC	CA STATE FEE FOR REGLTRY COSTS	162.55	484 4752311	162.55
			03/19-TICKETS(174)	369.70	484 4752301	369.70
				<u>532.25</u>		<u>532.25</u>
7403660	08783	UNIFIRST CORPORATION	UNIFORM CLEANINGS	110.49	480 4755209	110.49
7403661	05551	UNITED SITE SRVCS OF CA,SO DIV	MLS-FENCE RNTL-03/22-04/18/19	61.32	101 4633301	61.32
			YUCCA/LMBR-FNCE-03/28-04/24/19	19.72	101 4633602	19.72
				<u>81.04</u>		<u>81.04</u>

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7403662	2228	VALLEY CONSTRUCTION SUPPLY INC	ASPHALT IRON	216.81	203 4752410	216.81
7403663	C5428	VOLTZ COMMERCIAL REALTY ADVSRS	APPRAISAL RPRT-601 W LNCSTR BL	2,500.00	101 4300301	2,500.00
7403664	04496	VULCAN MATERIAL WESTERN DIV	COLD MIX	104.81	203 4752410	104.81
7403665	31026	WAXIE SANITARY SUPPLY	CH-JANITORIAL SUPPLIES	262.83	101 4633406	262.83
			PAC-JANITORIAL SUPPLIES	861.74	101 4650406	861.74
			MTNC YD-JANITORIAL SUPPLIES	194.10	203 4752406	194.10
				<u>1,318.67</u>		<u>1,318.67</u>
7403666	D0298	WILLDAN FINANCIAL SERVICES	FY17/18-CONTN DISCLOSURE SVCS	1,879.00	991 4240301	1,879.00
7403667	03527	L A CO FIRE DEPT	FIRE IMPCT FEE-FY18/19 3RD QTR	97,446.39	101 2174000	102,365.22
					101 3501100	209.93
					101 3614100	(5,128.76)
				<u>97,446.39</u>		<u>97,446.39</u>
7403668	07101	CALPINE ENERGY SOLUTIONS LLC	03/19-LCE-BACK OFFICE SERVICES	167,493.75	491 4250001D	19,231.25
					491 4250002D	22,030.00
					491 4250004D	21,021.25
					491 4250013D	105,211.25
				<u>167,493.75</u>		<u>167,493.75</u>
7403669	06429	STANTEC CONSULTING SRVCS INC	CP16004-10TH ST W IMPROVEMENTS	31,973.40	210 15BW008924	31,973.40
			CP16004-10TH ST W IMPROVEMENTS	7,596.50	210 15BW008924	7,596.50
			CP17005-PEDESTRIAN IMPROVEMNTS	111,303.56	210 15SW017924	111,303.56
				<u>150,873.46</u>		<u>150,873.46</u>
7403670	05834	VENCO WESTERN, INC	01/19-MAINTENANCE SERVICES	24,549.59	203 4636264	24,549.59
			01/19-MAINTENANCE SERVICES	43,501.76	482 4636402	43,501.76
			02/19-MAINTENANCE SERVICES	24,549.59	203 4636264	24,549.59
			02/19-MAINTENANCE SERVICES	43,576.02	482 4636402	43,576.02
			03/19-MAINTENANCE SERVICES	24,549.59	203 4636264	24,549.59
			03/19-MAINTENANCE SERVICES	43,576.02	482 4636402	43,576.02
			03/19-LMD IRRIGATION REPAIRS	309.69	482 4636404	309.69
				<u>204,612.26</u>		<u>204,612.26</u>
7403671	D3448	L A CO SHERIFF'S DEPT	FILE #3631801190021	551.70	101 2159000	249.74
					101 2159000	300.00
					101 4410121	1.96
				<u>551.70</u>		<u>551.70</u>
7403672	09401	PAYROLL-CONFIDENTIAL		443.86	101 2150000	443.86
7403673	D4657	PAYROLL-CONFIDENTIAL		184.16	101 2150000	184.16
7403674	09444	PAYROLL-CONFIDENTIAL		289.87	101 2150000	289.87
7403675	A9444	A V COMMUNITY CONCERTS ASSN	TCKT PRCD-ENCR SAX QRT-4/14/19	373.98	101 2107000	1,336.00
					101 3405127	(913.00)

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					101 3405302	(14.37)
					101 3405303	(34.65)
				373.98		373.98
7403676	00116	A V ENGINEERING	MEDICAL CORRIDOR DEVELOPMENTS	1,330.00	361 4541900	1,330.00
7403677	00116	A V ENGINEERING	MEDICAL CORRIDOR DEVELOPMENTS	2,100.00	361 4541900	2,100.00
7403678	09370	AADYN'S DAD TOURING, INC.	BAL-JIMMIE ALLEN-04/27/19	6,450.00	101 2177003	(1,050.00)
					101 4649567	7,500.00
				6,450.00		6,450.00
7403679	07637	ABAIED, KATHLEEN	KA-MILGE-LAS VEGAS-3/30-4/3/19	281.88	101 4220256	281.88
7403680	09437	ADVANTAGE ENGINEERS, LLC	RFND-CONDITNL USE PERMIT-19-06	3,455.00	101 3203100	3,455.00
7403681	D2325	ALL ABOUT ANIMALS	PF-ALL ABOUT ANMLS-04/27-28/19	2,500.00	101 4649567	2,500.00
7403682	09280	BLMYER, DUSTIN	DB-ANKLE BRACE REIMBURSEMENT	19.70	101 4220301	19.70
7403683	06699	BOOKER, MELVIN JR	PF-MEL BOOKER-04/28/19	600.00	101 4649567	600.00
7403684	06013	BRENNAN, RYAN	BAL-PF-BMX PERF-04/27-28/19	4,000.00	101 4649567	4,000.00
7403685	D0919	CA BUILDING STANDARDS	JAN-MAR 2019-GREEN BLDG FEES	463.50	101 2179003	(51.50)
					101 2179003	515.00
				463.50		463.50
7403686	1973	CA DEPT OF TAX/FEE ADMINISTRTN	ENERGY SRCHRG TAX FILING-QTR3	37,176.17	490 2175000	37,176.17
7403687	C2060	CA WATER SERVICE COMPANY	03/13/19-04/15/19 WATER SVC	795.06	482 4636654	795.06
7403688	C5582	CARPETERIA	DEP-FURNISH/CARPET INSTALL	41,947.50	213 11BS022924	41,947.50
7403689	D0775	CAUDLE, JASON	JC-PR DM-HENDERSON-04/15-16/19	91.50	101 4200201	91.50
7403690	06789	CORBETT, JOCELYN	JC-MILGE-SACRAMENTO-04/9-11/19	153.88	101 4230201	153.88
7403691	06789	CORBETT, JOCELYN	JC-PR DM-SACRAMENTO-04/9-11/19	165.00	101 4230201	165.00
7403692	08018	DANIELIAN ASSOCIATES INC	04/19-PROFESSIONAL SERVICE	2,975.00	361 4541900	2,975.00
7403693	08018	DANIELIAN ASSOCIATES INC	04/19-PROFESSIONAL SERVICE	8,850.00	361 4541900	8,850.00
7403694	08018	DANIELIAN ASSOCIATES INC	04/19-PROFESSIONAL SERVICE	10,500.00	361 4541900	10,500.00
7403695	08018	DANIELIAN ASSOCIATES INC	04/19-PROFESSIONAL SERVICE	10,760.00	361 4541900	10,760.00
7403696	08018	DANIELIAN ASSOCIATES INC	03/19-PROFESSIONAL SERVICE	11,000.00	361 4541901N	11,000.00
7403697	C9800	PAYROLL-CONFIDENTIAL		30.00	101 2150000	30.00

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7403698	C0293	EAST, MARY PAULINE	03/19-CONTRACT SERVICES	1,325.00	101 4601308	1,325.00
7403699	C6843	FRIENDS OF THE A V FAIR	2019 AV LAW DAY SPONSORSHIP	1,000.00	106 4100771	1,000.00
7403700	09433	HD ON THE GO	PF-LED WALL	5,000.00	101 4649567	5,000.00
7403701	D1524	JACOB NELSON & TONE WRANGLERS	PF-JACOB NELSON-04/27/19	300.00	101 4649567	300.00
7403702	1215	L A CO WATERWORKS	02/11/19-04/16/19 WATER SVC	20,245.54	101 4633654 101 4634654 203 4636654 482 4636654	240.70 9,282.35 4,405.41 6,317.08
				20,245.54		20,245.54
7403703	A0220	LANCASTER BAPTIST CHURCH	REFUND-STP DEPOSIT-04/13/19	176.00	101 2182001	176.00
7403704	08811	MARSHALL, JEFFERY	PF-BLEEDING HARP-04/28/19	2,200.00	101 4649567	2,200.00
7403705	09342	MENDEZ, CINDY	PF-SELENA TRIBUTE-04/27/19	2,750.00	101 4649567	2,750.00
7403706	09346	NEAL SHELTON ENTERTAINMENT	PF-NEAL SHELTON ENT-04/28/19	3,500.00	101 4649567	3,500.00
7403707	C8102	NOGA, ANDREW	AN-PR DM-LONG BEACH-04/24/19	49.50	101 4200350	49.50
7403708	09438	ONDANGAN, DUENA	RFND-BUSINESS LICENSE FEES	173.00	101 3102200 101 3102250	92.00 81.00
				173.00		173.00
7403709	C4587	PACIFIC ANIMAL PRODUCTIONS	PF-ANIMAL EXHIBIT-04/27-28/19	5,300.00	101 4649567	5,300.00
7403710	09440	QUESADA-KAWATA, STEPHANIE	RFND-PARKING CIT #31027251	39.00	101 3310200	39.00
7403711	07942	PAYROLL-CONFIDENTIAL		171.75	101 2150000	171.75
7403712	03154	SO CA EDISON	03/11/19-04/09/19 ELECTRIC SVC	583.64	203 4636652 482 4636652 484 4755652	22.17 549.13 12.34
				583.64		583.64
7403713	03154	SO CA EDISON	01/03/19-04/12/19 ELECTRIC SVC	2,234.04	203 4636652 482 4636652 484 4755652	214.96 1,189.58 829.50
				2,234.04		2,234.04
7403714	03154	SO CA EDISON	02/07/19-04/16/19 ELECTRIC SVC	14,610.54	101 4632652 101 4633652 101 4634652 101 4650652 203 4636652 363 4542771 482 4636652	1,576.68 5,284.06 4,207.77 2,282.70 30.98 120.55 279.06

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				14,610.54	483 4785660	828.74 14,610.54
7403715	D0617	STEWART, BENJAMIN	BS-PR DM-REDLANDS-04/29-30/19	91.50	480 4755201	91.50
7403716	09415	STINGRAY ENCOUNTER LLC	PF-BUTTRFLY ENCNTR-04/27-28/19	5,000.00	101 4649567	5,000.00
7403717	09415	STINGRAY ENCOUNTER LLC	PF-STINGRAY ENCNTR-04/27-28/19	6,000.00	101 4649567	6,000.00
7403718	D2143	STREAMLINE AUDIO VISUAL, INC	PF-STAGE/SOUND SERVICES	29,695.00	101 4649567	29,695.00
7403719	C2555	TIME WARNER CABLE	04/09/19-05/08/19-BASIC TV	39.18	101 4315651	39.18
7403720	C2555	TIME WARNER CABLE	04/14-05/13/19 BROADBAND SVC	154.99	101 4820651	154.99
7403721	09312	VANTAGECARE RHS PLAN DISB ACCT	RFND-ICMA RHS RETIREE OVRPYMNT	619.86	109 1100000	619.86
7403722	D3174	WELCH, RYAN	RW-REIMB-CWEA CERTIFICATION	200.00	480 4755206	200.00
7403723	09434	WELDING SKILLS TEST-TRAINING	WS-MIG WELDER TRAINING	1,696.00	101 4753200	1,696.00
7403724	08290	4WALL ENTERTAINMENT INC	PAC-EQUIPMNT RNTLS-02/21-27/19	1,248.90	101 4650602	1,248.90
7403725	02071	A G SOD FARMS INC	OMP-SOD	158.82	101 4634404	158.82
7403726	06294	A V WEB DESIGNS	PAC-04/19-MONTHLY HOSTING CHGS	99.95	101 4650301	99.95
7403727	07489	ACCESSO SHOWARE	PAC-03/19-TICKET SALES	1,103.35	101 4650302	1,103.35
7403728	05445	ADELMAN BROADCASTING, INC	PAC-03/19 ADS-JOHN PIZZARELLI	312.00	101 4650205	312.00
7403729	08894	ADHERENCE COMPLIANCE INC	MEDICAL CANNABIS SUPPORT SVCS	3,150.00	101 4230301	3,150.00
				3,000.00	101 4230301	3,000.00
				6,150.00		6,150.00
7403730	06944	ALL TEMP CORPORATION	408 COMFORT PACK	381.50	101 4200350	381.50
7403731	C6143	AMERICAN BUSINESS MACHINES	IMAGE RUNNER ADV COPIER	7.13	101 4410254	7.13
7403732	04190	AMERIPRIDE SERVICES	UNIFORM CLEANINGS	78.04	101 4753209	78.04
			UNIFORM CLEANINGS	72.35	101 4753209	72.35
				150.39		150.39
7403733	C9805	ARROW TRANSIT MIX INC	READY MIX CONCRETE	733.27	203 4752410	733.27
			READY MIX CONCRETE	639.48	203 4752410	639.48
			READY MIX CONCRETE	670.85	203 4752410	670.85
				2,043.60		2,043.60
7403734	08822	AXIOM FORENSIC	CLAIM #004-17/CLGL-1383A1	3,673.78	109 4430300	3,673.78
7403735	D0879	B'S EMBROIDERY ETC	OMP-UNIFORM HATS(15)	246.38	101 4634209	246.38

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7403736	01863	BAVCO	PDW-BACKFLOW REPAIR KITS HP-BACKFLOW REPAIR KIT	124.36 102.35 <u>226.71</u>	101 4634404 101 4634404	124.36 102.35 <u>226.71</u>
7403737	08118	BYD ENERGY LLC	LED STREET LIGHTS(9)	1,839.27	483 4785460	1,839.27
7403738	D0812	C S A C EXCESS INSURANCE AUTH	INSURANCE PROGRAM CERTS(13)	162.50	101 4230260	162.50
7403739	06020	CANON FINANCIAL SERVICES, INC	04/19 COPIER LEASE	7,342.77	101 4410254	7,342.77
7403740	05412	CARTRAC	03/19-SHOPPING CART RETRIEVAL	2,335.00	203 4752402	2,335.00
7403741	05938	CENTERSTAGING LLC	PAC-EQPMNT RNTLS-03/30/19 PAC-INSTRMNT RNTL-04/05/19 PAC-EQPMNT RNTLS-04/12/19	725.00 495.00 780.00 <u>2,000.00</u>	101 4650602 101 4650602 101 4650602	725.00 495.00 780.00 <u>2,000.00</u>
7403742	D2070	CONFIDENTIAL DATA DESTRUCTION	DOCUMENT DESTRUCTION	105.00	101 4200259 101 4220301 101 4400259 101 4600259 101 4700259 101 4800301 <u>105.00</u>	17.50 17.50 17.50 17.50 17.50 17.50 <u>105.00</u>
7403743	05789	CORE & MAIN LP	LMS-GATE VALVE	731.88	101 4632404	731.88
7403744	08823	DEMMERS, LINDA	LANCASTER LIBRARY ASSESSMENT	10,100.00	109 4200301	10,100.00
7403745	00432	DEPT OF JUSTICE	03/19-FINGERPRINT APPS	830.00	101 4220301	830.00
7403746	08329	E C S IMAGING INC	PRJCT MANAGEMENT/CONSLTNG SVCS	758.25	109 4210302	758.25
7403747	09368	ENODO GLOBAL, INC.	SOCIAL MEDIA PLATFRM SETUP FEE	5,000.00	101 4100301	5,000.00
7403748	06857	ENTERTAINMENTMAX, INC	CMMSSNS-BRITISH INVSN-04/16/19 CMMSSNS-ONE NGHT MMPHS-4/16/19	500.00 1,000.00 <u>1,500.00</u>	101 4650301 101 4650301	500.00 1,000.00 <u>1,500.00</u>
7403749	09416	FAZIO, MATTHEW S.	04/19-LTV VIDEO PRODUCTION	510.00	101 4305296	510.00
7403750	00617	FEDERAL EXPRESS CORPORATION	EXPRESS MAILINGS	142.49	101 4100212 101 4600212 101 4649567 361 4541213 <u>142.49</u>	40.59 53.66 21.62 26.62 <u>142.49</u>
7403751	D1793	FISH WINDOW CLEANING	MTNC YD-WINDOW CLEANING	34.00	203 4752402	34.00
7403752	09435	HICKERSON, SCOTT WILSON	FIGURE MODEL	100.00	101 4651251	100.00

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7403753	05860	HOUSTON & HARRIS PCS INC	SEWER HYDRO WASH	13,659.62	480 4755470	13,659.62
7403754	09192	INKLINE DESIGN	LTV-WEB DEVELOPMENT	187.50	101 4300301	187.50
7403755	08895	JPW COMMUNICATIONS LLC	11/18-COMMUNICATION SERVICES 02/19-COMMUNICATION SERVICES 03/19-COMMUNICATION SERVICES	825.00 500.00 1,200.00 <u>2,525.00</u>	491 4250205 101 4649225 101 4315301	825.00 500.00 <u>1,200.00</u> <u>2,525.00</u>
7403756	D3426	LAW OFFICES CHRISTOPHER RAMSEY	CLAIM #012-18/CLGL-1391A1 CLAIM #040-17/CLGL-1388A1 CLGL-1384A1	4,249.50 7,491.58 6,155.21 <u>17,896.29</u>	109 4430300 109 4430300 109 4430300	4,249.50 7,491.58 <u>6,155.21</u> <u>17,896.29</u>
7403757	09439	LOST ANGELS CHILDREN'S PROJECT	CLEAN UP/REPAINT CITY TRUCK	1,510.00	101 4300301	1,510.00
7403758	04351	LYN GRAFIX	FLASHLIGHT KEYCHAIN/STYLUS PEN	633.83	101 4650205	633.83
7403759	D3578	MINUTEMAN PRESS	LCE-CALPINE PUSH NOTICES(214) LCE-CALPINE PUSH NOTICES(253) LCE-CALPINE PUSH NOTICES(169)	208.07 221.70 146.97 <u>576.74</u>	490 4250212 490 4250212 490 4250212	208.07 221.70 <u>146.97</u> <u>576.74</u>
7403760	05222	MIRACLE PLAYGROUND SALES INC	HP-PLAYGROUND EQUIPMENT CLAMPS	215.12	101 4634404	215.12
7403761	C8944	MSC INDUSTRIAL SUPPLY CO	MAINTENANCE SUPPLIES	93.33	101 4753214	93.33
7403763	08562	NAPA AUTO PARTS	HDRLC/AIR FILTERS(2)-EQ1521 OIL FILTER-EQ1522 AIR/OIL FILTERS(2)-EQ1739 OIL FILTER-EQ1745 AIR/OIL FILTER-EQ1751 OIL FILTER-EQ3302 OIL/AIR FILTER(2)-EQ3307 OIL/FUEL FILTERS(2)-EQ3315 OIL FILTER-EQ3409 OIL/FUEL FLTRS-EQ3415 OIL/AIR FLTRS-EQ3759 FUEL/OIL/AIR FLTRS-EQ3777 OIL/FUEL/AIR FLTRS-EQ3779 OIL/AIR FLTRS-EQ3834 OIL/FUEL FLTRS-EQ3988 OIL/AIR FLTRS-EQ3991 OIL FLTR-EQ3994 OIL/AIR FLTRS-EQ5654 AIR/OIL FLTR-EQ5710 OIL FLTR-EQ5762 AIR/OIL FLTRS-EQ5852 OIL FLTR-EQ5829 AIR/OIL FLTRS-EQ6816 OIL/AIR FLTR-EQ7511	50.57 3.57 14.46 3.83 15.56 3.79 16.15 12.59 4.35 12.59 14.92 143.37 125.97 32.92 66.01 15.89 4.51 16.15 16.15 3.70 15.21 3.79 38.27 16.14	101 4800207 101 4800207 101 4600207 101 4647207 101 4200207 101 4753207 484 4752207 203 4752207 203 4752207 480 4755207 203 4752207 203 4752207 480 4755207 480 4755207 480 4755207 480 4755207 101 4635207 101 4635207 101 4634207 101 4634207 101 4631207 101 4545207 101 4783207	50.57 3.57 14.46 3.83 15.56 3.79 16.15 12.59 4.35 12.59 14.92 143.37 125.97 32.92 66.01 15.89 4.51 16.15 16.15 3.70 15.21 3.79 38.27 16.14

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			OIL FLTR WRNCH-EQ1516	30.42	101 4800207	30.42
			CDT/OIL SEAL-EQ3307	(67.15)	484 4752207	(67.15)
			SPRY PNT BLACK/ORANGE-EQ4337	43.03	203 4785207	43.03
			AIRFLOW SENSOR-EQ6810	104.67	101 4762207	104.67
			CAPSULES-EQ5601	35.70	101 4647207	35.70
			STARTER SHIM-EQ5768	9.75	480 4755207	9.75
			HDLGHT BLB-EQ4360	14.46	203 4785207	14.46
			BRAKE PAD-EQ3831	137.51	203 4752207	137.51
			RFLCTV TAPE-EQ3367	74.58	203 4752207	74.58
			MIRROR-EQ5768	66.66	480 4755207	66.66
			AIR/OIL FILTERS(2)-EQ2309	20.26	101 4753207	20.26
			WHL NUT-EQ3783	7.39	203 4752207	7.39
			BLWR MTR RSSTR-EQ2308	74.09	203 4752207	74.09
			OIL FILTER-EQ7513	3.39	101 4783207	3.39
				<u>1,205.22</u>		<u>1,205.22</u>
7403764	07540	OFFICETEAM	LC-HR STAFF-04/01-05/19	1,533.68	101 4220308	1,533.68
			LC-HR STAFF-04/08-12/19	662.48	101 4220308	662.48
				<u>2,196.16</u>		<u>2,196.16</u>
7403765	C3052	OXFORD INN AND SUITES	PAC-LDG- SNTA CECILIA-03/10/19	611.52	101 4650257	611.52
			PAC-LDG-HILLBENDERS-04/06/19	453.18	101 4650257	453.18
				<u>1,064.70</u>		<u>1,064.70</u>
7403766	05509	P A R S	02/19-REP FEES	5,107.33	101 4220301	5,107.33
7403767	05741	P P G ARCHITECTURAL FINISHES	OMP-FOUL POLE PAINT	166.22	101 4634404	166.22
			NSC-FIELD PAINT	1,272.74	101 4635404	1,272.74
				<u>1,438.96</u>		<u>1,438.96</u>
7403768	05998	PAVING THE WAY FOUNDATION	CMMNTY SPPRT/GOOD CTZNSHP PRGM	500.00	101 4820301	500.00
			CMMNTY SPPRT/GOOD CTZNSHP PRGM	1,968.00	101 4820301	1,968.00
				<u>2,468.00</u>		<u>2,468.00</u>
7403769	05499	PENSKE TRUCK LEASING CO LP	MOAH-VAN RENTAL-04/07-08/19	348.54	101 4653602	348.54
7403770	06874	PRINTS4LIFE	OMP-UNIFORM POLOS(75)	1,327.14	101 4634209	1,327.14
7403771	C5395	PRO ACTIVE WORK HEALTH SERVICES	DM-DOT/ESCREEN TEST-03/20/19	75.00	101 4220301	75.00
			SM-PHYS/ESCRN/TB TSTS-03/26/19	100.00	101 4220255	100.00
			SH-MASK FT/PLMNRY TST-03/29/19	45.00	101 4220301	45.00
			DW-MASK FT/PLMNRY TST-03/29/19	45.00	101 4220301	45.00
			CA-ESCREEN TEST-03/29/19	40.00	101 4220301	40.00
			AG-PHYS/ESCRN/TB TSTS-03/20/19	100.00	101 4220255	100.00
			LH-PHYSICAL/ESCREEN-03/20/19	80.00	101 4220301	80.00
				<u>485.00</u>		<u>485.00</u>
7403772	06607	PUMPMAN INC	07/18-06/19-QRTLTY PUMP MTNC	6,166.50	484 4755409	6,166.50
7403773	05643	REVENUE COST SPECIALISTS, LLC	COST CONTROL SYSTEM UPDATES	10,333.33	101 4410301	10,333.33
7403774	D3947	S G A CLEANING SERVICES	AHP-ADA PRJCT/DOG PARK RPRS	1,600.00	101 4631404	1,600.00

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Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
			AHP-ADA PRJCT/FNCE REPAIRS	985.00	101 4631402	985.00
			CDR ST-CLEANING SERVICES	675.00	101 4651402	675.00
			CDR ST-COURTYARD LIGHTING	565.00	101 4651402	565.00
				<u>3,825.00</u>		<u>3,825.00</u>
7403775	A8260	SAGE STAFFING	AT-LCE STAFF-03/25-29/19	1,002.00	490 4250308	1,002.00
			AT-LCE STAFF-04/01-05/19	1,002.00	490 4250308	1,002.00
			AT-LCE STAFF-04/08-12/19	1,002.00	490 4250308	1,002.00
				<u>3,006.00</u>		<u>3,006.00</u>
7403776	06664	SEA SUPPLY	NSC-JANITORIAL SUPPLIES	346.70	101 4635406	346.70
			NSC-JANITORIAL SUPPLIES	323.88	101 4635406	323.88
			NSC-JANITORIAL SUPPLIES	702.26	101 4635406	702.26
			NSC-JANITORIAL SUPPLIES	104.66	101 4635406	104.66
				<u>1,477.50</u>		<u>1,477.50</u>
7403777	05934	SHI INTERNATIONAL CORP	CISCO SMARTNT-EXTND SVC AGRMNT	597.19	101 4315251	597.19
7403778	01816	SMITH PIPE & SUPPLY INC	OMP-IRRIGATION SUPPLIES	401.27	101 4634404	401.27
			NSC-PVC/CHANNELLOCL PLIER	78.40	101 4635404	78.40
			NSC-IRRIGATION SUPPLIES	222.09	101 4635404	222.09
			LMS-IRRIGATION SUPPLIES	93.44	101 4632404	93.44
			OMP-IRRIGATION SUPPLIES	85.90	101 4634404	85.90
				<u>881.10</u>		<u>881.10</u>
7403779	09163	SOCAL OFFICE TECHNOLOGIES	03/27-04/26/19-EQUIPMENT	262.80	101 4410254	262.80
7403780	09436	SPITZER, JASON	RFND-DAMAGE DEP-MOAH	259.00	101 2182001	259.00
			RFND-STAFF FEE-MOAH	143.00	101 2182001	143.00
				<u>402.00</u>		<u>402.00</u>
7403781	D2143	STREAMLINE AUDIO VISUAL, INC	PAC-AUDIO RNTL/ENGINR-04/12/19	1,765.00	101 4650602	1,765.00
			PAC-AUDIO RNTL/ENGINR-04/13/19	1,208.00	101 4650602	1,208.00
				<u>2,973.00</u>		<u>2,973.00</u>
7403782	08005	T B X EMPLOYEE BENEFITS LLC	TBX SPPRT-INCREASE EMPLYR CRDT	500.00	101 4220301	500.00
7403783	A6479	TAFT ELECTRIC COMPANY	LANC/DIVISN-SVC PDSTL RPLCMNT	3,119.62	483 4785460	3,119.62
7403784	08177	TEKWERKS	05/19-REMOTE MONITORING/MNGMNT	1,355.00	101 4315402	1,355.00
			CORNING OPTCL FIBER OPTIC CBLE	2,750.00	101 4315301	2,750.00
				<u>4,105.00</u>		<u>4,105.00</u>
7403785	2009	THE TIRE STORE	TIRE-EQ6810	86.06	101 4762207	86.06
			TIRES(4)-EQ7607	761.70	480 4755207	761.70
			TIRES(4)-EQ5768	345.60	480 4755207	345.60
				<u>1,193.36</u>		<u>1,193.36</u>
7403786	C5522	THOMSON REUTERS-WEST PMT CENT	03/19-INFORMATION CHARGES	421.28	101 4820301	421.28
			03/19-INFORMATION CHARGES	810.58	101 4545206	810.58
				<u>1,231.86</u>		<u>1,231.86</u>

City of Lancaster Check Register



From Check No.: 7403411 - To Check No.: 7403804
 From Check Date: 04/07/19 - To Check Date: 04/27/19

Printed: 5/2/2019 16:33

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7403787	04239	TIM WELLS MOBILE TIRE SERVICE	TIRE-EQ3368 FLAT RPR-EQ3770	115.02 31.57 <u>146.59</u>	203 4752207 203 4752207	115.02 31.57 <u>146.59</u>
7403788	2003	TIP TOP ARBORISTS, INC	TREE REMOVALS(25) 03/19-TREE TRIMMINGS/REMOVALS 03/19-TREE TRIMMINGS/REMOVALS	9,497.50 4,106.50 9,837.50 <u>23,441.50</u>	203 4636267 483 4636267 482 4636267	9,497.50 4,106.50 9,837.50 <u>23,441.50</u>
7403789	D3099	TPX COMMUNICATIONS	04/19-TELEPHONE SERVICE	10,300.09 <u>10,300.09</u>	101 4315651 490 4250651	10,050.09 250.00 <u>10,300.09</u>
7403790	A7515	U S BANK	02/19-ADMIN FEE	245.91	101 3501110	245.91
7403791	07025	U-HAUL	TRUCK RNTL-04/02/19	218.69	101 4651251	218.69
7403792	08783	UNIFIRST CORPORATION	UNIFORM CLEANINGS	110.49	480 4755209	110.49
7403793	2228	VALLEY CONSTRUCTION SUPPLY INC	NON SHRINK GROUT	75.52	203 4752410	75.52
7403794	09039	VALUTEC CARD SOLUTIONS LLC	CARD PROGRAM CARD PROGRAM CARD PROGRAM	11.18 11.54 35.11 <u>57.83</u>	101 4650251 101 4650251 101 4650251	11.18 11.54 35.11 <u>57.83</u>
7403795	C2434	VINSA INSURANCE ASSOCIATES	PF-2019 EVNT INSURANCE POLICY	9,520.00	101 4649567	9,520.00
7403796	04496	VULCAN MATERIAL WESTERN DIV	COLD MIX COLD MIX ASPHALT COLD MIX	215.93 88.26 517.63 133.98 <u>955.80</u>	203 4752410 203 4752410 203 4752410 203 4752410	215.93 88.26 517.63 133.98 <u>955.80</u>
7403797	06735	W R E G I S	LCE-ANNUAL GENERATOR FEE	125.00	490 4370301	125.00
7403798	D2896	WHITE NELSON DIEHL EVANS LLP	FY17/18-INTERIM AUDIT	1,116.00	101 4410304	1,116.00
7403799	D0298	WILLDAN FINANCIAL SERVICES	CFD 89-1-COMMNTY FACLTS ADMIN	2,088.80	101 4410301	2,088.80
7403800	09201	XEROX FINANCIAL SERVICES LLC	03/27-04/26/19 LEASE PAYMENT	984.61	101 4410254	984.61
7403801	07358	YELLOW BRICK ROAD ENTERTAINMNT	GBOR-BRITISH RCK RYLTY-4/13/19	4,127.33	101 4650318	4,127.33
7403802	03154	SO CA EDISON	03/01/19-04/01/19 ELECTRIC SVC	115,094.65	483 4785660	115,094.65
7403803	06017	TORO ENTERPRISES INC	CP17006-LANC BLVD/15TH W RNDBT	290,339.00	150 2100003 150 2100003 150 2100003 210 16ST005924 220 16ST005924	(8,051.56) (5,923.45) (1,305.99) 118,468.97 26,119.85

City of Lancaster Check Register



Printed: 5/2/2019 16:33

From Check No.: 7403411 - To Check No.: 7403804
 From Check Date: 04/07/19 - To Check Date: 04/27/19

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
				290,339.00	399 16ST005924	161,031.18 290,339.00
7403804	05834	VENCO WESTERN, INC	01/19-LMD MAINTENANCE	37,320.00	101 4631402	18,750.00
					101 4634402	9,570.00
			04/19-MAINTENANCE SERVICES	37,320.00	101 4635402	9,000.00
					101 4631402	18,750.00
					101 4634402	9,570.00
				74,640.00	101 4635402	9,000.00
				74,640.00		74,640.00
Chk Count	<u>393</u>			Check Report Total	<u>2,896,182.19</u>	

STAFF REPORT
City of Lancaster

CC 3
05/14/19
JC

Date: May 14, 2019
To: Mayor Parris and City Council Members
From: Britt Avrit, MMC, City Clerk
Subject: **Consideration of adoption of Ordinance No. 1064**

Recommendation:

Adopt **Ordinance No. 1064**, amending section 15.04.100 of the Lancaster Municipal Code and Chapter 15.12 by adding Section 15.12.050 concerning stand-alone energy systems allowing residents and business owners the ability to construct and operate stand-alone energy systems, disconnected from any and all local utility grids.

Fiscal Impact:

None.

Background:

Ordinance No. 1064 is in line with the Council's commitment to providing flexible energy choices. Residents and business owners who choose to disconnect from the local utility grid will be allowed to construct and operate stand-alone electric energy systems including, but not limited to solar systems, fuel cell systems, battery systems and wind electric systems. Lancaster will be the first City in the State to encourage the use of newer technologies through this ordinance.

At the April 23, 2019 City Council meeting, the City Council approved the introduction of Ordinance No. 1064 by the following vote:

AYES: Council Members Malhi, Underwood-Jacobs, Vice Mayor Crist
NOES: None
ABSTAIN: None
ABSENT: Council member Mann, Mayor Parris

Attachment:

Ordinance No. 1064

ORDINANCE NO. 1064

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, AMENDING SECTION 15.04.100 OF THE LANCASTER MUNICIPAL CODE AND CHAPTER 15.12 BY ADDING SECTION 15.12.050 CONCERNING STAND-ALONE ENERGY SYSTEMS ALLOWING RESIDENTS AND BUSINESS OWNERS THE ABILITY TO CONSTRUCT AND OPERATE STAND-ALONE ENERGY SYSTEMS, DISCONNECTED FROM ANY AND ALL LOCAL UTILITY GRIDS

WHEREAS, the City Council of the City of Lancaster has been a leader in innovative thinking concerning energy sources; and

WHEREAS, the City Council supports flexible energy solutions that help residents and business owners reduce energy costs; and

WHEREAS, the City Council desires to exercise its authority under Articles 690.1, 692.1 and 694.1 of the California Electrical Code, and Section 100 of the Charter of the City of Lancaster to allow residents and business owners of the City of Lancaster (“City”) the ability to construct and operate stand-alone energy systems, disconnected from any and all local utility grids.

THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

Section 1. Section 15.04.100 is hereby repealed; provided, however, that such repeal shall not affect or excuse any violation of said Section occurring prior to the effective date of this ordinance. A new Section 15.04.100 of the Lancaster Municipal Code is hereby added as follows:

“15.04.100 Service Utilities.

“Section 112 of the California Building Code, Chapter 1, Division II is hereby amended by adding the following:

“112.4 No building shall be occupied for any purpose until all permanent utilities have been installed and are fully functional. There shall be no exceptions without the express written consent of the Building Official. For purposes of this section, an off-grid energy system, as defined in Section 15.12.050 of the Lancaster Municipal Code, shall be deemed a permanent utility provided the system complies with said Section 15.12.050 and with all off-grid development standards approved by the Building Official.”

Section 2. Chapter 15.12 of the Lancaster Municipal Code is hereby amended by adding section 15.12.050, as follows:

“15.12.050 Stand-alone Energy Systems.

(a) General. Lancaster residents and business owners are permitted to construct and operate stand-alone electric energy systems, including, but not limited to, solar photovoltaic systems, fuel cell systems, battery systems, and wind electric systems, which can be disconnected from any and all utility grids and can operate with or without electrical energy storage (“Off-Grid Systems”).

(b) Compliance with State and Local Laws. Any and all such Off-Grid Systems must comply with all applicable health and safety standards and requirements imposed by state and local permitting authorities, including, but not limited to, those set forth in the California Electrical Code and the California Energy Code, as may be amended from time to time, as well as all off-grid development standards approved by the Building Official.

Section 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is held for any reason to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Lancaster hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

Section 4. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published and posted pursuant to the provisions of law in that regard and this Ordinance shall take effect 30 days after its final passage.

I, Britt Avrit, MMC, City Clerk of the City of Lancaster, do hereby certify that the foregoing ordinance was regularly introduced and placed upon its first reading on the 23rd day of April, 2019, and placed upon its second reading and adopted at a regular meeting of the City Council on the 14th day of May, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

BRITT AVRIT, MMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF LANCASTER)

CERTIFICATION OF ORDINANCE
CITY COUNCIL

I, _____, _____ City of Lancaster, California, do hereby certify that this is a true and correct copy of the original Ordinance No. 1064, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____ day of _____, _____.

(seal)

STAFF REPORT

City of Lancaster

CC 4
05/14/19
JC

Date: May 14, 2019

To: Mayor Parris and City Council Members

From: Chenin Dow, Assistant to the City Manager

Subject: **Professional Services Agreement with KHJR Real Estate Advisory Services, LLC**

Recommendation:

Approve the proposed professional services agreement with KHJR Real Estate Advisory Services, LLC; and authorize the City Manager, or his designee, to execute all documents.

Fiscal Impact:

The total contract amount is \$225,000 plus reimbursable expenses, for a total not to exceed \$240,000. The proposed agreement carries an immediate cost to the City of up to \$120,000, as 50% of the cost will be funded by Antelope Valley Hospital.

Background:

The City of Lancaster and Antelope Valley Hospital have partnered to establish Medical Main Street, a comprehensive, mixed-use healthcare district that would integrate state-of-the-art medical facilities alongside such uses as shopping, dining, hospitality and housing. Anchored by Antelope Valley Hospital, the proposed district would optimize the use of more than 100 acres of vacant land located in the heart of Lancaster.

Through the existing partnership, Medical Main Street is well on its way to completion of a specific plan, which will lay the groundwork for development with an environmental impact report and updated zoning to reflect the goals of the district.

The proposed professional services agreement with KHJR Real Estate Advisory Services, LLC (KHJR) represents the next step for development of the proposed Medical Main Street district, which offers tremendous potential for significant growth in property and sales tax revenues to the City of Lancaster upon completion.

This agreement would encompass an in-depth fiscal analysis for the proposed district, designed to determine both financial feasibility and potential return on investment. This will include serving as a “proxy developer,” guiding the market-feasible validation process; evaluating a number of preliminary development scenarios; quantifying the catalytic influence of transportation improvements; developing preliminary assumption strategies for district developments; determining the most favorable financing structures and required return to attract private investment; and more. The principals of KHJR bring extensive experience in the development of healthcare facilities as well as mixed-use healthcare districts which epitomize the vision for Medical Main Street.

In short, while the planning efforts currently underway lay the groundwork in terms of zoning and expeditious development approvals, the proposed agreement would provide the financial analysis necessary to attract private – and potentially additional public – investment.

The Antelope Valley Hospital board approved its share of the costs on April 24th. These funds will be remitted to the City for administration of the contract.

CD:te

Attachment

Professional Services Agreement with KHJR Real Estate Advisory Services, LLC

AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES

THIS AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES is made and entered into this 14th day of May, 2019, by and between the CITY OF LANCASTER, a municipal corporation and charter city, (“City”), and KHJR Real Estate Advisory Services LLC, a Limited Liability Company (“Consultant”) (collectively, sometimes referred to hereinafter as the “Parties”).

RECITALS

WHEREAS, the City desires to engage Consultant to perform certain technical and professional services, as provided herein, identified as:

Due Diligence Analysis for Lancaster Health District Development & Redevelopment

WHEREAS, the principal members of Consultant are qualified and duly registered/licensed under the laws of the State of California, and Consultant desires to accept such engagement;

NOW, THEREFORE, the parties agree as follows:

1. **Parties to the Agreement.**

The parties to this Agreement are:

- A. CITY: City of Lancaster
- B. CONSULTANT: KHJR Real Estate Advisory Services LLC

2. **Notices.** All written notices required by or related to this Agreement shall be sent by Certified Mail, Return Receipt Requested, postage prepaid and addressed as listed below. Neither party to this Agreement shall refuse to accept such mail; parties to this Agreement shall promptly inform the other party of any changes of address. All notices required by this Agreement are effective on the day of receipt, unless otherwise indicated herein.

CITY City of Lancaster
 Attn: Chenin Dow
 44933 North Fern Avenue
 Lancaster, California 93534

CONSULTANT KHJR Real Estate Advisory Services LLC
 Attn: Gary Holland
 151 Shipyard Way, Suite B
 Newport Beach, CA 92663

3. **Successors and Assigns.** The terms hereof shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided, however, that no party hereto shall assign any of the benefits and burdens hereunder, whether voluntarily or by operation of law, without prior written consent of the other party, and any such assignments without said consent shall be void.

4. **Description of Work.** The City hereby engages Consultant, and Consultant accepts such engagement, to perform the technical and professional services set forth in the proposal attached hereto as Exhibit “A” and incorporated herein by reference. Consultant shall perform and complete, in a manner satisfactory to the City, all work and services set forth in Exhibit “A.” The City Manager or his designee shall have the right to review and inspect the work during the course of its performance at such times as may be specified by the City Manager, or his designee.

5. **Obligations of the City.**

A. The City shall pay Consultant \$225,000, plus reimbursable expenses for a total amount not to exceed \$240,000, for all work necessary to complete the Services as described in the Proposal in Exhibit A. Antelope Valley Hospital (“AVH”) shall share equally in the costs, with AVH’s portion to be remitted to the City for administration of the contract. Payments shall be due within thirty (30) days following submittal of an invoice detailing the services performed, as set forth in Exhibit A.

B. No payment made hereunder by the City to Consultant, other than the final payment, shall be construed as an acceptance by the City of any work or materials, nor as evidence of satisfactory performance by Consultant of its obligations under this Agreement.

6. **Obligations of the Consultant.**

A. Consultant shall perform as required by this Agreement and in accordance with the Deliverables and other Compliance Items set forth in Exhibit A.

B. Consultant shall be responsible for payment of all employees’ wages and benefits, and shall comply with all requirements pertaining to employer’s liability, workers’ compensation, unemployment insurance, and Social Security.

C. Consultant shall not subcontract any of the work required to perform the Services without the express prior written approval of the City.

7. **Hold Harmless and Indemnification.** Consultant agrees to indemnify and hold harmless the City, its officers and employees, from and against any and all third party claims, losses, obligations, or liabilities whatsoever, including reasonable attorney’s fees, incurred to the extent arising out of or related to Consultant’s negligent or willful wrongful acts, errors or omissions, or those of its employees or agents. Consultant agrees to defend the City, its officers and employees, using counsel of the City’s choosing, from and against any and all claims covered by the indemnity in the preceding sentence.

8. **Amendments.** Any amendment, modification, or variation from the terms of this Agreement shall be in writing and shall be effective only upon mutual written approval by the City and Consultant.

9. **Non-Discrimination and Equal Employment Opportunity.**

A. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, religion, ancestry, sex, national origin, physical or mental disability or age. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, sex, national origin, physical or mental disability or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship.

B. The provisions of subsection A above shall be included in all solicitations or advertisements placed by or on behalf of Consultant for personnel to perform any services under this Agreement. The City shall have access to all documents, data and records of Consultant and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section.

10. **Term; Effective Date.** This Agreement shall become effective and shall be in full force and effect upon the execution of the Agreement by the City and the Consultant. This Agreement shall continue in full force and effect for three (3) years, unless the Agreement is sooner terminated in accordance with this Agreement; provided, however, that the City and the Consultant may mutually agree in writing to extend the Term of this Agreement.

11. **Termination.**

A. For Convenience. The City may terminate this Agreement at any time without cause by giving thirty (30) days written notice to the other party of such termination and specifying the effective date thereof. In the event of termination of this Agreement, Consultant will be paid for work completed through the date of termination within thirty (30) days following submittal of a final invoice.

B. For Cause. If Consultant fails to perform the services called for by this Agreement or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, Consultant shall correct such failure within ten (10) days (or such longer period that the City may authorize in writing) after receipt of notice from the City specifying such failure. Should the failure not be corrected within this time period, the City may immediately terminate the Agreement by written notice to Consultant.

C. In the event of termination, whether for convenience or cause, reports, plans, studies and other documents (collectively, "documents") related to the Services shall become the City's property. Consultant shall provide all documents to the City that have not yet been within ten (10) calendar days after termination of the Agreement.

12. **Independent Contractor.** Consultant is an independent contractor and shall have no power or authority to incur any debt, obligation or liability on behalf of the City. It is expressly understood between the Parties to this Agreement that no employee/employer relationship is intended.

13. **Insurance.**

A. The Consultant, at its expense, shall maintain in effect at all times during the term of this Agreement the following coverage and limits of insurance, which shall be maintained with insurers listed “A-, VIII” or better in the Best’s Key Rating Guide:

Commercial General Liability

Each Occurrence	\$1,000,000
Per Project General Aggregate	\$2,000,000
Including Products/Completed Operations; Contractual Liability/Independent Contractors; Property Damage	
<i>(Coverage shall be at least as broad as ISO form CG2010 11/85 or CG2010 07/04 and CG2037 07/04 combined, or an equivalent providing ongoing and completed operations)</i>	

Commercial Automobile Liability

Combined Single Limit per Accident for Bodily Injury and Property Damage	\$1,000,000
<i>(Coverage shall be at least as broad as ISO form CA00 01)</i>	

Workers Compensation

As Required by the State of California	Statutory Limits
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Employers’ Liability

Each Accident	\$1,000,000
Bodily Injury by Disease	\$1,000,000
Each Employee	\$1,000,000
<i>(A Waiver of Subrogation must be provided on behalf of the Certificate Holder for the Workers Compensation & Employers’ Liability policies)</i>	

Professional Liability

Each Occurrence	\$1,000,000
General Aggregate	\$1,000,000

B. The Consultant’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insured’s liability.

C. Professional liability and/or cyber insurance written on a “claims made” basis must be renewed for a period of three (3) years after this contract expires or is terminated. Such insurance must have the same coverage and limits as the policy that was in effect during the term of this contract and will cover Consultant for all claims made by the City insured entities arising out of any acts or omissions of Consultant or its officers, employees, or agents during the time this Agreement was in effect.

D. Any deductibles or self-insurance retentions must be declared and approved by the City. At the City's option, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City insured entities or the insurer shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

E. All insurance shall be primary and non-contributory as respects the City insured entities. Any insurance or self-insurance maintained by the City insured entities shall be in excess of the Consultant's insurance and shall not contribute with it.

F. Consultant shall furnish the City with Certificates of Insurance and with original endorsements effecting coverage required by this Agreement. Certificates of Insurance shall meet the following requirements:

(1) Show that the insurance policy has been endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after 30 days' prior written notice (10 days' written notice for non-payment) to the City of Lancaster.

(2) List in the "Descriptions of Operations/Locations/Vehicles" section:

"Due Diligence Analysis for Lancaster Health District Development & Redevelopment

The City of Lancaster, its elected officials, officers, employees and volunteers are included as additional covered parties, but only insofar as the operations under this contract are concerned."

(3) List in the "Certificate Holder" section:

The City of Lancaster, 44933 Fern Avenue, Lancaster, California 93534.

14. **Commencement and Completion of Work.** The Services to be provided by Consultant pursuant to this Agreement shall commence within 10 days after execution of this Agreement.

15. **Ownership of Documents.** All plans, specifications, reports, studies, maps and other documents prepared or obtained by Consultant in the course of performing the work and are required by this Agreement to be delivered to the City shall be the property of the City. Basic sketches, charts, computations and similar data prepared or obtained by Consultant under this Agreement shall, upon request, be made available to City without restriction or limitation on their use.

16. **Data Provided to Consultant.** City shall provide to Consultant, without charge, all data, including reports, records, maps and other information, now in the City's possession which may facilitate the timely performance of the work described in Exhibit A.

17. **Consultant's Warranties and Representations.**

Consultant warrants and represents to City as follows:

A. Consultant has not employed or retained any person or entity, other than a bona fide employee working exclusively for Consultant, to solicit or obtain this Agreement.

B. Consultant has not paid or agreed to pay any person or entity, other than a bona fide employee working exclusively for Consultant, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the execution of this Agreement. Upon any breach or violation of this warranty, City shall have the right, in its sole discretion, to terminate this Agreement without further liability, or, in the alternative, to deduct from any sums payable hereunder the full amount or value of any such fee, commission, percentage or gift.

C. Consultant has no knowledge that any officer or employee of the City has any interest, whether contractual, noncontractual, financial, proprietary, or otherwise, in this transaction or in the business of the Consultant, and that if any such interest comes to the knowledge of Consultant at any time, a complete written disclosure of such interest will be made to City, even if such interest would not be deemed a prohibited "conflict of interest" under applicable laws.

D. Upon the execution of this Agreement, Consultant has no interest, direct or indirect, in any transaction or business entity which would conflict with or in any manner hinder the performance of services and work required by this Agreement, nor shall any such interest be acquired during the term of this Agreement.

18. **Resolution of Disputes.**

A. Disputes regarding the interpretation or application of any provisions of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

B. If the parties cannot resolve the dispute through good faith negotiations, either party may give Notice of Dispute to the other party. The Notice of Dispute shall state the nature of the dispute and the corrective action necessary to remedy the dispute.

After Notice of Dispute, the parties shall first attempt to resolve any disputes by mediation. The parties shall agree on a single mediator. Mediation shall be conducted in Lancaster, California. Each party shall pay its own attorneys' fees and the costs of mediation shall be split equally between the parties.

If the dispute has not been resolved by mediation within 45 days after Notice of Dispute, or the parties are unable to agree to a mediator, within 15 days after Notice of Dispute, then, the dispute may, upon agreement of the parties be resolved by binding arbitration.

C. If any action at law or in equity is brought to enforce or interpret any provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, cost and necessary disbursements, in addition to such other relief as may be sought and awarded.

19. **Incorporation by Reference.** The CONSULTANT’S Proposal is hereby incorporated in and made a part of this AGREEMENT. CONSULTANT agrees to comply with all of the requirements set forth therein.

20. **Precedence of AGREEMENT Documents.** If there is a conflict between AGREEMENT documents, the document highest in precedence shall control. The precedence shall be:

- First: This AGREEMENT
- Second: The CONSULTANT’S Proposal

22. **Exhibits.**

The following exhibits to which reference is made in this Agreement are deemed incorporated herein in their entirety:

- Exhibit “A” KHJR Basic Services

23. **Governing Law.**

This Agreement shall be governed by the laws of the State of California.

24. **Effective Date.**

This Agreement shall become effective as of the date set forth below on which the last of the parties, whether City or Consultant, executes said Agreement.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their respective officers thereunto duly authorized.

CITY OF LANCASTER
LANCASTER, CALIFORNIA

By: _____
Jason Caudle, City Manager

Dated: _____

KHJR Real Estate Services LLC

By: _____
Gary Holland, Principal

Dated: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

PROFESSIONAL CONSULTING SERVICES AGREEMENT

City of Lancaster and KHJR Real Estate Advisory Services LLC

EXHIBIT A

KHJR BASIC SERVICES

I. MARKET ASSESSMENT

KHJR will review and validate existing market assessments pertaining to future master development plans (“**Plan**”) for Lancaster mixed-use Medical District located within the City of Lancaster.

We will focus on reviewing your current Plan objectives, understanding key trends in utilization, market position of competing districts and or medical facilities. We will review Antelope Valley Medical Center (“**AVMC**”) projected service volumes and patient base, and market demographics, if available. Upon completion of our investigation, if it deemed that the information required is not available, we will make recommendations on how to proceed with securing the appropriate studies and market data before completing the Project’s phase 1 due diligence, and prior to making our go-no go recommendations. We will utilize existing plans (in-progress), as a platform to inform and complement our analysis, integrating recommendations as appropriate.

We will provide preliminary financial feasibility assessment (from a real estate medical district concept perspective). *Does the project work financially and what are the potential returns?*

- ◆ Serve as a “proxy developer”, guiding the market-feasible validation process initially, and the later planning process resulting in comprehensive plans that can be built. KHJR to validate the development program and provide a preliminary forecast of what can realistically be built on a sites, or how sub-areas and phases may evolve to be coordinated with the overall plan/vision as individual sites are developed (e.g., hospital site).
- ◆ Test the existing market analysis for the entire district concept (validate vision and economic expectations). Verify predevelopment process, resource requirements, and time line expectations from the vision to the deal.
- ◆ Test a number of preliminary development scenarios, and discuss policy and or investment options. Provide an objective measure of whether development as currently planned can pay its way.
- ◆ Quantify the catalytic influence that transportation improvements can have on development potential, future population and employment growth.
- ◆ Test probable absorption and high-level budgets. Validate models that project potential revenue sources, and costs to local taxing bodies based on analysis of municipal budgets and interviews with municipal staff.
- ◆ Test assumption (or develop preliminary assumption) strategies for single- and multi-use (district) developments, as well as the status of planning for projects ranging from transforming a redevelopment site, to understanding the market potentials and impacts of transportation investments at the sites, community and corridor scales, retail and entertainment , housing, education, healthcare wellness and technology.
- ◆ Review most favorable (and probable) financing structures and required risk-adjusted return to attract private investment.
- ◆ Identify potential funding sources for public and private development opportunities.
- ◆ Validate area and or site-specific and community housing needs analyses.

PROFESSIONAL CONSULTING SERVICES AGREEMENT

City of Lancaster and KHJR Real Estate Advisory Services LLC

II. MAKE GO-NO GO RECOMMENDATION FOR DEVELOPMENT STRATEGIES

- ◆ Based on the prioritized facility needs identified during the due-diligence phase, provide the City of Lancaster with an opinion on the recommended go forward strategy for the development of the future medical district development including probable time line and district phasing, and overall area capacity needs to meet community expectations.
- ◆ Review the projected healthcare needs of the community and render opinion on current direction, and potential sites for AVMC senior management to consider best case conductivity and shared uses within overall district master plan (locations, utilities, parking, road, other).
- ◆ Render opinion and make recommendations on current preliminary program and master plan. Identify next steps and team resources for all development categories.
- ◆ Develop order of magnitude budget and timeline and compare to economic models and expectations.
- ◆ Analyze the physical characteristics of the site(s) and determine their utilization potential and limitations.
- ◆ Recommend development alternatives that maximize utilization of the site consistent with the City of Lancaster and AVMC missions and strategic objectives in mind.
- ◆ Identify future expansion options that maintain the greatest degree of flexibility with recommended next steps and approach.

Review Potential Facility Site Search Criteria with City and Prospective Investors, and Local Brokers (if applicable)

- ◆ Work collaboratively with Private Sector and AVMC, and retain Master Planner and real estate broker support the development of appropriate strategic site criteria preliminary options for identifying most qualified land parcels for development (up to five sites). Such criteria may include, but are not limited to, the following:
 - Strategic positioning relative to competitor facilities
 - Community appeal
 - Public perception
 - Adjacent uses and neighborhood image
 - Traffic patterns and accessibility
 - Total acreage – expansion capability
 - Zoning, public approvals and off-site improvement requirements

PROFESSIONAL CONSULTING SERVICES AGREEMENT

City of Lancaster and KHJR Real Estate Advisory Services LLC

Develop an Implementation Schedule

- ◆ Collaboratively work with City, and AVMC senior management to establish development priorities and targeted start and completion dates.
- ◆ For facility recommendations, identify short and long term phasing of services as appropriate.
- ◆ Collaboratively develop an implementation schedule to achieve the targeted development completion dates by district.

III. INTEGRATED DELIVERY NETWORK RECOMMENDATIONS

At the conclusion of the due diligence (phase 1), KHJR will present to the City of Lancaster management team and/or appropriate Board a final report detailing go-no go development planning and district public/private business structures. KHJR will offer recommendations and go forward options, with respect to overall District Master Plan inclusive of AVMC replacement campus location. KHJR will review Opportunity Zone and public/private district entity structures, and make recommendations, provide next steps for implementation and go forward strategy relative to early alignment of costs, vs. economic benefits, for both the public and private sectors.

- ◆ KHJR will present options around phased development sub districts within the overall Medical District zone related to:
 - Livable City / Retail / Dining
 - Hospitality / Convention
 - Commercial Research and Technology
 - Health and Wellness
 - Learning Environment
 - Arts and Culture / Civic / Entertainment
 - Sports, Recreation and Nature
 - Transportation
- ◆ The final report will summarize the go forward recommendation, delineating relevant information and prerequisites for phase 2, such as:
 - Market analysis (data provided by Owner)
 - Services analysis
 - Competitor strategies
 - Development strategies (as needed)
 - Site selection (if applicable)
 - Scenario planning options
 - District size type and timing recommendations
 - Conceptual block diagrams and high-level Master Plan (contracted separately by Owner)
 - Project budget and resource allocation plan
 - Development and implementation schedule

STAFF REPORT

City of Lancaster

CC 5
05/14/19
JC

Date: May 14, 2019

To: Mayor Parris and City Council Members

From: Chenin Dow, Assistant to the City Manager

Subject: **Lease of Property to Edisun Microgrids, Inc.**

Recommendation:

Authorize the City Manager or his designee to finalize and execute a rental agreement between the City of Lancaster and Edisun Microgrids, LLC for the lease of City property located in the Lancaster Business Park, which was formerly used as a golf center.

Fiscal Impact:

Lease revenue of \$36,000 over the three-year life of the lease.

Background:

Hydrogen power has long represented tremendous potential in terms of reducing carbon emissions and reaching global renewable energy goals. Currently used in certain electric vehicles and limited power operations, the process of generating power from hydrogen creates carbon-neutral emissions: warm air and water vapor. According to Forbes, the use of hydrogen could also extend the operating lives of coal and gas power plants by creating a new, hybrid fuel source with significantly lower carbon emissions.

Edisun Microgrids, Inc. (“Edisun”) is working to capture hydrogen’s massive potential to protect our planet. A subsidiary of a company known as a disruptor in the energy space, Edisun is seeking to test cutting-edge technology as a proof-of-concept for a hydrogen power plant.

Thanks to Mayor R. Rex Parris and the Lancaster City Council’s well-established commitment to renewable energy, Edisun is seeking to locate this ultramodern power plant right here in the City of Lancaster.

The proposed rental agreement would allow for the lease of property to Edisun for this purpose for a period of three years, the length of time needed to prove the concept. The property to be leased is a roughly 20-acre parcel located in the Lancaster Business Park, formerly used as the Lancaster Golf Center. Under the agreement, Edisun will renovate the existing buildings for use as office and educational space, with the intent to offer field trips for local students and community members to learn about hydrogen power.

This arrangement offers a number of significant benefits to the City of Lancaster:

- Strengthening Lancaster's position as a leader in renewable energy and home of cutting-edge innovation
- Attraction of a new, environmentally-friendly business to the Lancaster business community
- Renovation of previously vacant facilities at no cost to the City; estimated total of approximately \$200,000.
- Elimination of ongoing property maintenance and upkeep costs up to \$10,000 annually
- Lease revenue of \$36,000 over the life of the lease
- A one-time contribution of \$25,000 toward the proposed City of Lancaster makerspace in an effort to further STEM (science, technology, engineering, and mathematics) education and entrepreneurship in the Antelope Valley. A new educational opportunity for area residents
- Utilization of an underutilized asset

In short, the proposed rental agreement offers significant benefits with no hard costs to the City. This agreement represents the next step in Lancaster's ongoing quest to preserve our planet for future generations.

CD:te

STAFF REPORT
City of Lancaster
Lancaster Financing Authority

JPH 1
05/14/19
JC

Date: May 14, 2019

To: Mayor and Chairman Parris and Council Members and Authority Members

From: Jason Caudle, City Manager
Pam Statsmann, Finance Director

Subject: **Proposed Financing of Certain Street Improvements Within the City from Proceeds of the Lancaster Financing Authority Revenue Bonds**

City Council Recommendation:

Adopt **Resolution No. 19-17**, approving the financing of certain improvements; approving an installment sale agreement, a bond purchase contract and a continuing disclosure agreement; and authorizing the taking of certain other actions in connection therewith.

Lancaster Financing Authority Recommendation:

Adopt **Resolution No. FA 01-19**, approving the issuance of its revenue bonds, series 2019 (Measure M & R Street Improvements Projects) in the aggregate principal amount not to exceed \$57,000,000; approving an indenture of trust, an installment sale agreement and a bond purchase contract; and authorizing the taking of certain other actions in connection therewith.

Fiscal Impact:

The estimated bond financing is approximately \$43.4 million and will be secured by future Measure R sales tax revenues and Measure M sales tax revenues allocated to the City annually by the Los Angeles County Metropolitan Transportation Authority. The true interest cost (that is, the effective interest rate) for the Bonds is expected to be 3.91% based on current market conditions as of April 22, 2019 plus a contingency of 1/4% added to account for possible changes in market conditions before the Bonds can be issued. The total debt service is estimated to be \$86.5 million, with 21 years of annual debt service of \$2.73 million beginning in FY 2019-20, and 9 years of annual debt service of \$3.24 million beginning in FY 2040-41.

All estimated costs associated with the Bonds will be paid out of proceeds from the issuance of the bonds as outlined below:

Bond Counsel	\$58,000
Disclosure Counsel	45,000
Municipal Advisor	67,500
Rating Fee	33,000
Trustee	6,000
Printing	1,000
Other/Contingency	24,500
<i>Total Fixed Costs</i>	<i>\$235,000</i>

Bond Insurance Premium	302,866
Surety Bond Premium	81,125
Underwriting	184,429
Total Issuance Expenses	\$803,420

In addition to debt service, the City will pay (from Measure R and Measure M Revenues) an estimated \$75,000 in trustee administrative costs over the life of the issue as well as an estimated \$60,000 for continuing disclosure annual reporting and new state debt annual reporting requirements.

Background:

In July 2008, LA County Metro’s Measure R was approved by Los Angeles County voters. In November 2016, Metro’s Measure M was approved. Both Measure R and Measure M included a new half-cent sales tax creating an ongoing source of funding for mobility improvements across Los Angeles County. Under Measure R and M, major road, transit and walking/biking projects are slated to be built in the next 40 years. Measure R and Measure M also includes funds that are returned directly to local cities for their own transportation projects and annual funding to ensure infrastructure is maintained.

Staff has developed a priority list and cost estimate for the Urban Core Arterial and Residential Street Rehabilitation and Resurfacing Projects (the “Projects”) that qualify for funding under Metro’s guidelines for both Measure R and Measure M. The list, included as Exhibit 6, shows total eligible Project costs of almost \$50 million to be completed over the next 3 years. For FY 2017/18, the City received a total of \$3.47 million in combined Measure R and Measure M sales tax and it is projected to receive approximately \$4.1 million in combined revenues for FY 2018/19. In addition to using the annual funds to fund the Projects on a pay-as-you-go basis or to accumulate funds to finance the largest of the Projects, the City has the opportunity to leverage the Measure R and Measure M Revenues. The City can currently raise approximately \$49.3 million for Project costs, providing enough funds to undertake the highest priority and largest Projects, while still maintaining strong debt service coverage (annual revenue divided by annual debt service) of at least 150%. Repayment of the financing will take place over the useful life of the Projects financed. Most of the Projects have a useful life of 15 to 30 years.

In addition to the useful life limitations for the financing of Projects, the City is also limited to raising funds that can be expended on Projects within 3 years of the issuance of bonds, and further by the amount of Measure R and Measure M sales tax that the City currently receives. The financing is designed to meet all these limitations.

However, if staff determines that some of the Projects cannot be completed within 3 years, the size of the bond issue may be reduced before the Bonds are sold. Conversely, if interest rates fall and the City has the ability to fund more than the \$49.3 million of projects currently estimated (at the same annual debt service), it could choose to increase the size of the bond issuance. Thus, the “not to exceed” amount of the bond issuance being approved is slightly higher than the estimated size to provide the City with additional flexibility. A final Project list and updated projected bond sizing analysis will be submitted to the City Council prior to the issuance of the Bonds, which is expected in September, 2019.

Based on current market conditions and an assumed “AA” credit rating (assumes purchase of municipal bond insurance policy) for the Bonds, the par amount of the Bonds is estimated to be \$43,395,000, issued with an original issue premium of \$6,709,013, and will provide total funding of \$50,104,013. This amount assumes that the bond issue will qualify to be insured by a bond insurer and that the City will not be required to cash fund a reserve fund for the Bonds by purchasing an insurance policy in place of depositing bond proceeds (the costs of which is included in the costs of issuing the bonds). Bond insurance bids will be solicited and if the True Interest Cost (inclusive of the bond insurance premium) is lower than the estimated True Interest Costs for a transaction without insurance, the lowest insurance bid will be accepted.

The estimated par amount will be subject to prevailing market conditions at the time of sale. Therefore, a not-to-exceed par amount of \$57 million is being requested to provide a reasonable cushion above the expected par-amount should interest rates fluctuate, or if the bonds are priced without an original issue premium based on investor preference at the time of sale.

The estimated net proceeds of the Bonds are \$49,300,593, which will be used to construct the improvements listed on the Project list (Exhibit 6). Total use of bond proceeds, including estimated costs and contingency, is as follows:

SOURCES

Par Amount	\$43,395,000
Premium	<u>6,709,013</u>
TOTAL	50,104,013

USES

Projects	\$49,300,593
Costs of Issuance	235,000
Underwriter’s Discount	184,429
Bond Insurance	302,866
DSRF Surety	<u>81,125</u>
TOTAL	50,104,013

On December 13, 2018, the City successfully closed its 2018 Lease Revenue Bond financing to fund various priority capital improvements for the City. Given the success of that financing, staff has elected to utilize the existing team for financial advisor, underwriter, bond and disclosure counsel to provide services in connection with an anticipated bond issue to finance street improvements using Measure R and Measure M sales tax revenue. As such, staff has directed NHA Advisors (Financial Advisor), Piper Jaffray & Co. (Underwriter) and Nixon Peabody (Bond and Disclosure Counsel) to prepare the documents necessary for the approval of the Measure R and Measure M bonds to finance street improvements. The next step in the issuance process is for the City Council to hold a public hearing and for the City Council and Lancaster Public Financing Authority Board to adopt resolutions authorizing the issuance of bonds within certain parameters and approving related documents.

Review and Analysis:

Public Hearing:

Because the Bonds are being sold through the Authority, the City, as the jurisdiction where the facilities relating to the financing are located, is required to hold a public hearing before the Authority may approve a resolution authorizing the sale of the Bonds. The City Council must find that there will be significant public benefit from the issuance and sale of the Bonds by the Authority for the purpose of financing the street improvements.

“Significant public benefit” includes employment benefits from undertaking the Projects in a timely fashion, and more efficient delivery of local services associated with the Projects. The City and its citizens will significantly benefit from much needed capital improvements through the mitigating effects the construction and reconstruction of streets will have on the deteriorating public infrastructure. The Projects will provide proper and safe working local streets for both commercial and public uses. The City is also able to significantly benefit in costs savings through its leveraging of available revenue streams. Lastly, the Projects will require the continued employment of a labor force and/or additional public works positions, to construct and complete the local streets.

“Significant public benefit” also includes a demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs.

The following documents are being presented for approval:

In order to authorize the issuance of the Bonds, the City Council and the Authority Board of Directors have been presented with resolutions for their consideration. The City Council resolution approves the form of the following documents in connection with the financing:

Installment Sale Agreement between the City and the Authority: This agreement provides for the purchase of Property from the Authority by the City in exchange for semi-annual payments equal to the debt service on the 2019 Bonds. The payments are payable solely from the Measure R & Measure M local return. The City’s general fund will not be obligated to pay the debt service on the Bonds.

Bond Purchase Contract: Pursuant to the Bond Purchase Contract (BPC), the Underwriter (Piper Jaffray & Co.) will agree to buy the Bonds at specified prices and interest rates, subject to satisfaction of certain requirements, such as the delivery of the bond documents and delivery of closing certificates and opinions. The BPC will be presented to the authorized officers of the Authority and the City for approval and execution on the pricing date after the Underwriter has completed the offering to the investors and the pricing of the Bonds. The Resolution specifies the maximum underwriter’s discount and other financing parameters that must be met before moving forward on the transaction.

Continuing Disclosure Agreement: Under the Continuing Disclosure Agreement, the City will agree to provide an annual report containing certain information relevant to the security of the Bonds, to be filed on the EMMA system (the internet-based information repository maintained by the Municipal Securities Rulemaking Board for municipal bonds issued in the United States) to make such information available to the investors. The City will also agree to disclose and make filings upon the occurrence of enumerated events (such as a rating change on the Bonds).

Pursuant to Government Code Section 5852.1 (which became effective January 1, 2018), the following good faith estimates (as obtained by the issuer from an underwriter, financial advisor, or private lender) must be disclosed at a public meeting before the governing body's authorization of the issuance of bonds with a term greater than 13 months. The following has been compiled by NHA Advisors, the City's financial advisor for the 2019 Bonds, based on current market interest rates and assumptions about the structure of the bonds:

<u>Information to be disclosed per Government Code Section 5852.1:</u>	<u>Estimates</u>
True interest cost of the bonds (the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds)	3.91%
Finance charge of the bonds (the sum of fees/charges paid to third parties)	\$801,420
Amount of proceeds received by the public body from the sale of the bonds, less the finance charge of the bonds and any reserves or capitalized interest paid or funded with proceeds of the bonds	\$49,300,593
The total payment amount (the sum total of all debt service payments on the bonds, plus the finance charge of the bonds not paid from bond proceeds)	\$86,533,077

The City Council resolution also puts certain parameters upon any sale of the Bonds. These parameters are: (1) the par amount of the bonds cannot exceed \$57,000,000, (2) the underwriters' discount cannot exceed 0.42% of the par amount of the Bonds, and (3) the True Interest Cost cannot exceed 4.90%.

The Authority Board resolution approves the form of the following documents in connection with the financing:

Indenture of Trust: The Indenture of Trust is between the Authority and The Bank of New York Mellon Trust Company, as Trustee. The Indenture of Trust sets the terms and conditions of the Bonds. These terms will be finalized upon the actual sale of the bonds to investors and after the bond purchase agreement is executed.

Installment Sale Agreement; and

Bond Purchase Contract

The Authority resolution also approves the sale of the Bonds within the same parameters described above.

Next Steps:

If City Council and Authority Board elect to approve the two resolutions, City staff will work with the financing team to immediately ready the Bond transaction for a public sale. Below is a summary of the financing schedule:

Date	Activity
May 14	Public Hearing City Council and Authority Board Approve Financing Resolutions
May - July	60-Day Validation Process
June - July	Prepare POS and Credit Rating Process
July/August	Council Approval of POS
August	Release Preliminary Official Statement to Underwriter to begin marketing of 2019 Bonds to Investors
September	2019 Bond Order Period, Verbal Award and Execution of Bond Purchase Agreement
September	Close Financing

Attachments:

Resolution No. 19-17

Resolution No. FA 01-19

Indenture of Trust

Installment Sale Agreement

Bond Purchase Contract

Project List Exhibit

Estimated Sources and Uses and Annual Debt Service Exhibit

RESOLUTION NO. 19-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA APPROVING THE FINANCING OF CERTAIN STREET IMPROVEMENTS; APPROVING AN INSTALLMENT SALE AGREEMENT, A BOND PURCHASE CONTRACT AND A CONTINUING DISCLOSURE AGREEMENT; AND AUTHORIZING THE TAKING OF CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Lancaster (the “City”) desires to finance certain street improvements within the boundaries of the City as described in Exhibit A attached hereto, which such street improvements may be amended from time to time (the “Improvements”); and

WHEREAS, the Lancaster Financing Authority (the “Authority”) is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated September 1, 1989, by and between the City and the Lancaster Redevelopment Agency, under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), and is authorized pursuant to Article 4 of the Act to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations to provide financing and refinancing for capital improvements of member entities of the Authority; and

WHEREAS, for the purpose of providing funds to finance the Improvements, the Authority has determined to issue its Revenue Bonds, Series 2019 (Measure M & R Street Improvements Project) (the “Bonds”); and

WHEREAS, in order to provide for the repayment of the Bonds, the Authority will sell the Improvements to the City pursuant to an Installment Sale Agreement, under which the City will agree to make installment payments to the Authority payable from “Measure R Receipts” and “Measure M Receipts” (being a portion of the revenues of the Los Angeles County Metropolitan Transportation Authority allocable to the City derived from a retail transactions and use tax imposed by the County of Los Angeles (“County”) and approved by at least two-thirds of the electors of the County on July 24, 2008 and November 8, 2016, respectively), which, in the aggregate, will be calculated to be sufficient, in time and amount, to enable the Authority to pay the principal of and interest on the Bonds when due and payable; and

WHEREAS, as required by Section 6586.5 of the California Government Code, the City has caused the publication of a notice of a public hearing on the financing of the Improvements once at least five days prior to the hearing in a newspaper of general circulation in the City; and

WHEREAS, the City Council held a public hearing at which all interested persons were provided the opportunity to speak on the subject of financing the Improvements;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER AS FOLLOWS:

Section 1. The City Council hereby finds and determines that significant public benefits will arise from the financing of the Improvements with the proceeds of the Bonds, in accordance with section 6586 of the California Government Code, in that the financing will result in (i) demonstrable savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs, (ii) employment benefits from undertaking the projects in a timely fashion, and (iii) more efficient delivery of local agency services to residential and commercial development.

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority in the aggregate principal amount not to exceed \$57,000,000.

Section 3. The City Council hereby approves the Installment Sale Agreement in the form on file with the City Clerk and presented to the City Council at this meeting, together with any changes therein or additions thereto deemed advisable by the Mayor, the City Manager, the Deputy City Manager or the Finance Director, and any designee of any of them (the "Authorized Officers"), whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. The Authorized Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the City to execute the final form of the Installment Sale Agreement for and in the name of the City.

Section 4. The City Council hereby approves the Bond Purchase Contract in the form on file with the City Clerk and presented to the City Council at this meeting, together with any changes therein or additions thereto deemed advisable by any Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. The underwriter's discount for the Bonds specified in the Bond Purchase Contract shall not exceed 0.42% of the aggregate principal amount thereof, exclusive of original issue discount. The true interest cost on the Bonds shall not exceed 4.90%. The Authorized Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the City to execute the final form of the Bond Purchase Contract for and in the name of the City.

Section 5. The City Council hereby approves the Continuing Disclosure Agreement in the form on file with the City Clerk and presented to the City Council at this meeting, together with any changes therein or additions thereto deemed advisable by any Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. The Authorized Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the City to execute the final form of the Continuing Disclosure Agreement for and in the name of the City.

Section 6. The Authorized Officers and all other officers of the City are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the documents approved pursuant to this Resolution. Whenever in this Resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person authorized by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 7. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED AND ADOPTED 15th day of May, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, MMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }ss
CITY OF LANCASTER }

CERTIFICATION OF RESOLUTION
CITY OF LANCASTER

I, _____, _____ City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No. 19-17, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____ day of _____, _____.

(seal)

Exhibit A

\$50 MILLION ROAD BOND BREAKDOWN

PHASE I - \$30 MILLION TOTAL BUDGET

Reconstruction Projects - Arterials & Collectors (Spring 2020)

	General - Mobilization/Demob/TC/Clear & Grub, etc.		\$650,000
1	Avenue L - 10th St West to Sierra Highway	5.60	\$1,500,000
2	Avenue J - 10th St West to 15th St West	3.70	\$809,194
3	10th St West - Ave J to Ave K	6.20	\$1,023,500
4	10th St West - Ave J to Lancaster Blvd	2.87	\$550,000
5	10th St West - Ave K to Ave L	7.12	\$925,885
6	Sierra Highway - Ave H to Ave J	11.80	\$1,247,710
	ESTIMATED CONSTRUCTION COST	37.29	\$6,706,289
	Contingency & Construction Engineering		\$795,629
	TOTAL CONSTRUCTION COST		\$7,501,918

Neighborhoods (Summer 2020)

	General - Mobilization/Demob/TC/Clear & Grub, etc.		\$425,000
	Signing & Striping		\$150,000
7	NBH - SWC Lancaster Blvd & 10th St W; et al	6.72	\$372,593
8	NBH - Ave J to Ave J-8, Division to Raysack	4.77	\$560,000
9	NBH - 10th St W to Sierra; Ave I to Blvd	8.20	\$1,160,000
10	NBH - Ave J-8 to Ave K; 15th E to Rembrandt	6.80	\$526,000
11	NBH - Blvd to Ave J, 2nd St. E - 3rd St. E	4.21	\$357,000
12	NBH - Division to Challenger; Ave J-8 to K	21.15	\$2,233,384
	ESTIMATED CONSTRUCTION COST	51.84	\$5,783,977
	Contingency & Construction Engineering		\$678,398
	TOTAL CONSTRUCTION COST		\$6,462,375

Reconstruction Projects - Arterials & Collectors (Fall 2020)

	General - Mobilization/Demob/TC/Clear & Grub, etc.		\$650,000
13	Avenue K - 20th St West to 40th St West	14.80	\$2,349,410
14	20th St West - Ave L to Ave M	3.30	\$534,250
15	35th St West - Ave L to Ave M	4.50	\$580,800
16	Ave J-12 - 20th St W to Ave K	1.70	\$525,000
17	Ave J-8 - 15th St West to 35th St West	7.30	\$1,185,027
18	Ave H - 25th St W to 40th St W	8.13	\$590,000
19	Ave K - 10th St W to Sierra Hwy	6.52	1118857
	ESTIMATED CONSTRUCTION COST	46.25	\$7,533,344
	Contingency & Construction Engineering		\$903,334
	TOTAL CONSTRUCTION COST		\$8,436,678

PHASE II - \$20 MILLION TOTAL BUDGET

Reconstruction Projects - Arterials & Collectors (Spring 2021)

	General - Mobilization/Demob/TC/Clear & Grub, etc.		\$625,000
20	Ave J - 10th St West to Challenger Way	11.76	\$2,045,400
21	Division St - Ave I to Ave J	5.32	\$950,000
22	Ave M - Sierra Highway to 4th St East	1.00	\$275,000
23	15th St West - Ave J to Ave J-8	2.56	\$375,000
24	25th St West - Ave K-8 to Ave L	2.25	\$295,000
25	20th St West - Ave K to Ave L	6.21	\$788,824
26	Lancaster Business Park	16.86	\$1,998,000
	ESTIMATED CONSTRUCTION COST	45.96	\$7,352,224
	Contingency & Construction Engineering		\$910,222
	TOTAL CONSTRUCTION COST		\$8,262,446

Neighborhoods (Summer 2021)

	General - Mobilization/Demob/TC/Clear & Grub, etc.		\$450,000
	Signing & Striping		\$160,000
27	NBH - Blvd to Ave J; 10th St West to Sierra Highway	16.50	\$2,569,600
28	NBH - Ave J to Ave J-8; 25th St West to 30th St West	6.40	\$685,750
29	NBH - Ave J to Ave J-8; Sierra Hwy to 10th St West	16.26	\$2,040,000
30	NBH - Ave J-8 to Ave K; 10th St West to 15th St West	4.99	\$530,700
31	NBH - Ave J-8 to Ave K; 20th St West to 25th St West	6.80	\$726,000
32	NBH - Ave K to Ave K-4; 25th St West to 30th St West	5.50	\$580,800
33	NBH - Ave K-8 to Ave L; 15th St West to 20th St West	7.30	\$780,000
	ESTIMATED CONSTRUCTION COST	63.75	\$8,522,850
	Contingency & Construction Engineering		\$1,027,285
	TOTAL CONSTRUCTION COST		\$9,550,135

	LM	BUDGET
Phase I Total Construction Cost	135.38	\$22,400,971
ADA/Sidewalk Projects		\$2,500,000
Preventive Maintenance Projects (Slurry Seal Program)	14.20	\$1,250,000
New Development Projects		\$2,250,000
PS&E of Phase I & Phase II		\$975,000
Technology Upgrades		\$150,000
Pavement Condition Index (PCI) Evaluation & Analysis		\$60,000
TOTAL PHASE I BUDGET		\$29,585,971
Phase II Total Construction Cost	109.71	\$17,812,581
ADA/Sidewalk Projects		\$725,000
Preventive Maintenance Projects (Slurry Seal Program)	6.70	\$575,000
New Development Off-Site Improvements		\$500,000
PS&E of 2022 PMP		\$300,000
Pavement Condition Index (PCI) Evaluation & Analysis		\$60,000
TOTAL PHASE II BUDGET		\$19,972,581
TOTAL BOND BUDGET	265.99	\$49,558,552

RESOLUTION NO. FA 01-19

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LANCASTER FINANCING AUTHORITY APPROVING THE ISSUANCE OF ITS REVENUE BONDS, SERIES 2019 (MEASURE M & R STREET IMPROVEMENTS PROJECTS) IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$57,000,000; APPROVING AN INDENTURE OF TRUST, AN INSTALLMENT SALE AGREEMENT AND A BOND PURCHASE CONTRACT; AND AUTHORIZING THE TAKING OF CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Lancaster Financing Authority (the “Authority”) is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated September 1, 1989, by and between the City of Lancaster (the “City”) and the Lancaster Redevelopment Agency, under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), and is authorized pursuant to Article 4 of the Act to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations to provide financing and refinancing for capital improvements of member entities of the Authority; and

WHEREAS, the City plans to finance certain street improvements within the boundaries of the City as described in Exhibit A attached hereto, which such street improvements may be amended from time to time (the “Improvements”); and

WHEREAS, for the purpose of providing funds to finance the Improvements, the Authority has determined to issue its Revenue Bonds, Series 2019 (Measure M & R Street Improvements Project) (the “Bonds”); and

WHEREAS, in order to provide for the repayment of the Bonds, the Authority will sell the Improvements to the City pursuant to an Installment Sale Agreement, under which the City will agree to make installment payments to the Authority payable from “Measure R Receipts” and “Measure M Receipts” (being a portion of the revenues of the Los Angeles County Metropolitan Transportation Authority allocable to the City derived from a retail transactions and use tax imposed by the County of Los Angeles (“County”) and approved by at least two-thirds of the electors of the County on July 24, 2008 and November 8, 2016, respectively), which, in the aggregate, will be calculated to be sufficient, in time and amount, to enable the Authority to pay the principal of and interest on the Bonds when due and payable; and

WHEREAS, as required pursuant to section 6586.5(a)(2), a public hearing has been held by the City in connection with the financing of the Improvements and the City Council has determined there are significant public benefits in accordance with the Act;

NOW THEREFORE, BE IT RESOLVED BY THE LANCASTER FINANCING AUTHORITY AS FOLLOWS:

Section 1. The Board of Directors hereby approves the issuance of the Bonds in the aggregate principal amount not to exceed \$57,000,000.

Section 2. The Board of Directors hereby approves the Indenture of Trust in the form on file with the Secretary and presented to the Board of Directors at this meeting, together with any changes therein or additions thereto approved by the Chairman, the Vice Chairman, the Executive Director or the Treasurer, and any designee of any of them (the "Authorized Officers"), whose execution thereof shall be conclusive evidence of such approval. The Authorized Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the Authority to execute the final form of the Indenture of Trust for and in the name of the Authority.

Section 3. The Board of Directors hereby approves the Installment Sale Agreement in the form on file with the Secretary and presented to the Board of Directors at this meeting, together with any changes therein or additions thereto deemed advisable by any Authorized Officer, whose execution thereof shall be conclusive evidence of such approval. The Authorized Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the Authority to execute the final form of the Installment Sale Agreement for and in the name of the Authority.

Section 4. The Board of Directors hereby approves the Bond Purchase Contract in the form on file with the Secretary and presented to the Board of Directors at this meeting, together with any changes therein or additions thereto deemed advisable by any Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. The underwriter's discount for the Bonds specified in the Bond Purchase Contract shall not exceed 0.42% of the aggregate principal amount thereof, exclusive of original issue discount. The true interest cost on the Bonds shall not exceed 4.90%. The Authorized Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the Authority to execute the final form of the Bond Purchase Contract for and in the name of the Authority.

Section 5. The Authorized Officers and all other officers of the Authority are each authorized and directed in the name and on behalf of the Authority to make any and all assignments, certificates, certificates, insurance commitments or agreements for bond insurance or a reserve fund surety, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the documents approved pursuant to this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 6. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED AND ADOPTED this 14th day of May, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, MMC
Secretary
Lancaster Financing Authority

R. REX PARRIS
Chair
Lancaster Financing Authority

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF LANCASTER)

CERTIFICATION OF RESOLUTION
LANCASTER FINANCING AUTHORITY

I, _____, _____ City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No. FA 01-19, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____ day of _____, _____.

(seal)

Exhibit A

\$50 MILLION ROAD BOND BREAKDOWN

PHASE I - \$30 MILLION TOTAL BUDGET

Reconstruction Projects - Arterials & Collectors (Spring 2020)

	General - Mobilization/Demob/TC/Clear & Grub, etc.		\$650,000
1	Avenue L - 10th St West to Sierra Highway	5.60	\$1,500,000
2	Avenue J - 10th St West to 15th St West	3.70	\$809,194
3	10th St West - Ave J to Ave K	6.20	\$1,023,500
4	10th St West - Ave J to Lancaster Blvd	2.87	\$550,000
5	10th St West - Ave K to Ave L	7.12	\$925,885
6	Sierra Highway - Ave H to Ave J	11.80	\$1,247,710
	ESTIMATED CONSTRUCTION COST	37.29	\$6,706,289
	Contingency & Construction Engineering		\$795,629
	TOTAL CONSTRUCTION COST		\$7,501,918

Neighborhoods (Summer 2020)

	General - Mobilization/Demob/TC/Clear & Grub, etc.		\$425,000
	Signing & Striping		\$150,000
7	NBH - SWC Lancaster Blvd & 10th St W; et al	6.72	\$372,593
8	NBH - Ave J to Ave J-8, Division to Raysack	4.77	\$560,000
9	NBH - 10th St W to Sierra; Ave I to Blvd	8.20	\$1,160,000
10	NBH - Ave J-8 to Ave K; 15th E to Rembrandt	6.80	\$526,000
11	NBH - Blvd to Ave J, 2nd St. E - 3rd St. E	4.21	\$357,000
12	NBH - Division to Challenger; Ave J-8 to K	21.15	\$2,233,384
	ESTIMATED CONSTRUCTION COST	51.84	\$5,783,977
	Contingency & Construction Engineering		\$678,398
	TOTAL CONSTRUCTION COST		\$6,462,375

Reconstruction Projects - Arterials & Collectors (Fall 2020)

	General - Mobilization/Demob/TC/Clear & Grub, etc.		\$650,000
13	Avenue K - 20th St West to 40th St West	14.80	\$2,349,410
14	20th St West - Ave L to Ave M	3.30	\$534,250
15	35th St West - Ave L to Ave M	4.50	\$580,800
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Technology Upgrades		\$150,000
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PS&E of 2022 PMP		\$300,000
Pavement Condition Index (PCI) Evaluation & Analysis		\$60,000
TOTAL PHASE II BUDGET		\$19,972,581
TOTAL BOND BUDGET	265.99	\$49,558,552

INDENTURE OF TRUST

by and between the

LANCASTER FINANCING AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Dated as of _____ 1, 2019

Relating to
\$ _____
Lancaster Financing Authority
Revenue Bonds, Series 2019
(Measure M & R Street Improvements Project)

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EXHIBIT A – FORM OF BONDS

INDENTURE OF TRUST

This INDENTURE OF TRUST (this “Indenture”), made and entered into and dated as of _____ 1, 2019, by and between the LANCASTER FINANCING AUTHORITY, a joint exercise of powers entity organized and existing under and by virtue of the laws of the State of California (the “Authority”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America with a corporate trust office in Los Angeles, California, and being qualified to accept and administer the trusts hereby created (the “Trustee”);

RECITALS:

WHEREAS, the Authority was duly organized and is existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated September 1, 1989, by and between the City of Lancaster (the “City”) and the Lancaster Redevelopment Agency, and under the provisions of Articles 1 through 4 (commencing with section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Act”), and is authorized pursuant to Article 4 of the Act (the “Bond Law”) to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to, the City and to provide financing for public capital improvements of the City;

WHEREAS, the City plans to finance the acquisition and construction of certain street improvements (the “Projects”);

WHEREAS, for the purpose of providing funds to finance the Projects, the Authority has determined to issue its Revenue Bonds, Series 2019 (Measure M & R Street Improvements Project), in the aggregate principal amount of \$_____ (the “Bonds”);

WHEREAS, the Bonds will be issued under the provisions of the Bond Law and this Indenture;

WHEREAS, in order to provide for the repayment of the Bonds, the Authority will sell the improvements relating to the Projects to the City pursuant to an installment sale agreement (the “Installment Sale Agreement”), under which the City will agree to make installment payments (the “Installment Payments”) to the Authority payable from “Measure R Receipts” and “Measure M Receipts” (being a portion of the revenues of the Los Angeles Metropolitan Transportation Authority allocable to the City derived from a retail transactions and use tax imposed by the County and approved by at least two-thirds of the electors of the County on July 24, 2008 and November 8, 2016, respectively) (collectively, the “Pledged Measure Receipts”), which, in the aggregate, will be calculated to be sufficient, in time and amount, to enable the Authority to pay the principal of and interest and premium (if any) on the Bonds when due and payable;

WHEREAS, the amounts received by the Authority from the City under the Installment Sale Agreement will be sufficient to pay the principal of and interest on the Bonds when due;

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure

the payment of the principal thereof and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the Bonds at any time issued and Outstanding under this Indenture, according to their terms, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and delivered, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Authority does covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I
DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS;
EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes of this Indenture, of any Supplemental Indenture, of the Installment Sale Agreement, of the Bonds and of any certificate, opinion, request or other documents herein mentioned have the meanings herein specified.

“*Act*” means Articles 1 through 4 (commencing with section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code, as in existence on the Closing Date or as thereafter amended from time to time.

“*Additional Payments*” means the payments so designated and required to be paid by the City pursuant to Section 4.6 of the Installment Sale Agreement.

“*Authority*” means the Lancaster Financing Authority, a joint exercise of powers authority organized and existing under and by virtue of the laws of the State, and any successor thereto.

“*Authorized Denomination*” means the amount of \$5,000 or any integral multiple thereof.

“*Authorized Representative*” means: (a) with respect to the Authority, its Chairman, its Vice Chairman, its Executive Director, its Treasurer or any other person designated as an Authorized Representative of the Authority by a Written Certificate of the Authority signed by its Chief Administrative Officer, and filed with the City and the Trustee; and (b) with respect to the City, its Mayor, its Vice Mayor, its City Manager, its Deputy City Manager, its Finance Director or any other person designated as an Authorized Representative of the City by a Written Certificate of the City signed by its City Manager and filed with the Authority and the Trustee.

“*Board of Directors*” means the members of the City Council of the City of Lancaster and who shall constitute the governing body of the Authority, which governing body shall be known as the Authority Commission.

“*Bond Counsel*” means (a) Nixon Peabody LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

“*Bond Fund*” means the fund by that name established and held by the Trustee pursuant to Section 5.01.

“*Bond Law*” means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code, as in existence on the Closing Date or as thereafter amended from time to time.

“*Bond Year*” means each twelve-month period extending from _____ 2 in one calendar year to _____ 1 of the succeeding calendar year, both dates inclusive; *provided* that the first Bond Year with respect to the Bonds shall commence on the Closing Date and end on _____ 1, 2020.

“*Bonds*” means the \$_____ aggregate principal amount of Lancaster Financing Authority Revenue Bonds, Series 2019 (Measure M & R Street Improvements Project), authorized by and at any time Outstanding pursuant to this Indenture.

“*Business Day*” means (a) any day that is not a Saturday, Sunday or legal holiday or day on which banking institutions in the State are closed, or (b) a day on which the New York Stock Exchange is not closed.

“*City*” means the City of Lancaster, a municipal corporation and general law city organized and existing under and by virtue of the laws of the State.

“*Closing Date*” means the date of delivery of the Bonds to the Original Purchaser.

“*Code*” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under such Code.

“*Completion Date*” means, with respect to the Projects, the date on which the City files a Written Certificate with the Trustee stating that the acquisition and construction of the Project has been completed.

“*Continuing Disclosure Agreement*” means the continuing disclosure agreement to be executed on the Closing Date by the City, as it may be amended from time to time in accordance with the terms thereof.

“*Costs of Issuance*” means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds, including but not limited to all compensation, fees and

expenses (including but not limited to fees and expenses for legal counsel) of the Authority or the City, initial fees and expenses of the Trustee (including but not limited to fees and expenses for legal counsel), compensation to any financial consultants or underwriter, legal fees and expenses, filing and recording costs, rating agency fees, costs of preparation and reproduction of documents, out-of-pocket expenses of the Authority and the City, the Authority and City staff costs and costs of printing and fees and costs for any bond insurance premium, guaranty, surety bond premium, letter of credit or other credit facility.

“*Costs of Issuance Fund*” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“*County*” means the County of Los Angeles, California.

“*Debt Service*” means, during any period of computation, the amount obtained for such period by totaling the following amounts:

(a) The principal components of the Installment Payments and of payments with respect to Parity Obligations coming due and payable by their terms in such period; and

(b) The interest component of the Installment Payments and of payments with respect to Parity Obligations coming due and payable by their terms in such period.

“*Defeasance Obligations*” means (a) cash, (b) direct non-callable obligations of the United States of America, (c) securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, (d) Refcorp interest strips, and (e) CATS, TIGRS, STRPS.

“*Event of Default*,” with respect to this Indenture, means any of the events specified in Section 7.01 and with respect to the Installment Sale Agreement, means any of the events specified in Section 8.1 of the Installment Sale Agreement.

“*Federal Securities*” means (a) cash (insured at all times by the Federal Deposit Insurance Corporation), and (b) obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States including: (i) United States treasury obligations, (ii) all direct or fully guaranteed obligations, (iii) Farmers Home Administration, (iv) General Services Administration, (v) Guaranteed Title XI financing, (vi) Government National Mortgage Association (GNMA), and (vii) State and Local Government Series.

“*Fair Market Value*” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for

example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

“*Fiscal Year*” means any twelve-month period extending from June 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority or the City, as applicable, as its official fiscal year period.

“*Fitch*” means Fitch Ratings, New York, New York, or its successors.

“*Government Obligations*” means, with respect to the Bonds: (a) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“U.S. Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidence of ownership of proportionate interests in future interest and principal payments on obligations described above 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 government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

“*Indenture*” means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture pursuant to the provisions hereof.

“*Independent Accountant*” means any certified public accountant or firm of certified public accountants, appointed and paid by the Authority or the City, and who, or each of whom (a) is in fact independent and not under domination of the Authority or the City; (b) does not have any substantial interest, direct or indirect, in the Authority or the City; and (c) is not connected with the Authority or the City as an officer or employee of the Authority or the City but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the City.

“*Independent Counsel*” means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Authority, the Trustee or the City.

“*Information Services*” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services

providing information with respect to called bonds as the Authority may designate in a Certificate of the Authority delivered to the Trustee.

“*Installment Payment Date*” means the date not later than the fifth Business Day preceding each Interest Payment Date.

“*Installment Payments*” means the payments required to be paid by the City pursuant to the Installment Sale Agreement.

“*Installment Sale Agreement*” means that certain Installment Sale Agreement, dated as of _____ 1, 2019, by and between the Authority and the City, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of this Indenture, securing the Bonds.

“*Interest Account*” means the account by that name established in the Bond Fund pursuant to Section 5.01.

“*Interest Payment Date*” means each _____ 1 and _____ 1, commencing _____ 1, 20____.

“*Maximum Annual Debt Service*” means, as of any date of calculation by the City, the highest Debt Service during the period from the date of such calculation through the final maturity date of all Parity Obligations.

“*Measure M Ordinance*” means Ordinance No. 16-01, the Los Angeles County Traffic Improvement Plan, adopted by the MTA on June 23, 2016, and approved by at least two-thirds of electors voting on such proposition in the November 8, 2016 election, as supplemented and amended.

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

“*Measure M Receipts*” means Measure M Revenues allocated by the MTA to the City pursuant to the Measure M Ordinance from the Local Return Subfund established under the Measure M Ordinance, to the extent that the Project constitutes a Measure M Project.

“*Measure M Receipts Fund*” means the fund by that name established and held by the City into which the Measure M Receipts are deposited.

“*Measure M Revenues*” means revenues of the MTA pursuant to the Measure M Ordinance derived from a retail transactions and use tax imposed in the County pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, Division 12 (Section 130350 et seq.) of the Public Utilities Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, and the Measure M Ordinance.

“*Measure R Ordinance*” means Ordinance No. 08-01, the Traffic Relief and Rail Expansion Ordinance, adopted by the MTA on July 24, 2008, and approved by at least two-thirds

of electors voting on such proposition in the November 4, 2008 election, as supplemented and amended.

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

“*Measure R Receipts*” means Measure R Revenues allocated by the MTA to the Local Agency pursuant to the Measure R Ordinance from the Local Return Subfund established under the Measure R Ordinance, to the extent the Project constitutes a Measure R Project.

“*Measure R Receipts Fund*” means the fund by that name established and held by the City into which the Measure R Receipts are deposited.

“*Measure R Revenues*” means revenues of the MTA pursuant to the Measure R Ordinance derived from a retail transactions and use tax imposed in the County of Los Angeles pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California, as now in effect and as it may from time to time be amended or supplemented, Division 12 (Section 130350 et seq.) of the Public Utilities Code of the State of California, as now in effect and as it may from time to time be amended or supplemented, and the Measure R Ordinance.

“*Moody’s*” means Moody’s Investors Service, New York, New York, or its successors.

“*MTA*” means the Los Angeles County Metropolitan Transportation Authority.

“*Municipal Bond Insurer*” means _____, or any successor thereto or assigns thereof.

“*Original Purchaser*” means the original purchaser of the Bonds upon their delivery by the Trustee on the Closing Date.

“*Outstanding,*” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Section 11.09; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

“*Owner,*” whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Registration Books.

“*Parity Obligations*” means any leases, loan agreements, installment sale agreements, bonds, notes, or other obligations of the City payable from and secured by a pledge of and lien upon any of the Pledged Measure Receipts on a parity with the Installment Payments.

“*Participating Underwriter*” shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

“*Permitted Investments*” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein, but only to the extent that the same are acquired at Fair Market Value (provided the Trustee may rely upon the Request of the Authority directing investment under the Indenture as a determination that such investment is a Permitted Investment):

(a) Government Obligations.

(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):

- (i) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
- (ii) U.S. Farmers Home Administration (FmHA) Certificates of Beneficial Ownership
- (iii) Federal Financing Bank
- (iv) Federal Housing Administration Debentures (FHA)
- (v) General Services Administration Participation Certificates
- (vi) Government National Mortgage Association (GNMA or Ginnie Mae) GNMA—guaranteed mortgage-backed bonds GNMA—guaranteed pass-through obligations
- (vii) U.S. Maritime Administration Guaranteed Title XI financing
- (viii) 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 federal agencies which are not 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):

- (i) Federal Home Loan Bank System Senior debt obligations

- Mac)
- (ii) Federal Home Loan Mortgage Corporation (FHLMC or Freddie Participation Certificate Senior debt obligations
 - (iii) Federal National Mortgage Association (FNMA or Fannie Mae) Mortgage-backed securities and senior debt obligations
 - (iv) Student Loan Marketing Association (SLMA or Sallie Mae) Senior debt obligations
 - (v) Resolution Funding Corp. (REFCORP) obligations
 - (vi) Farm Credit System Consolidated systemwide bonds and notes

(d) Money market mutual funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, if rated by S&P, having a rating at the time of investment of “AAAm” or “AAAm-G”; and if rated by Moody’s having a rating at the time of investment of “Aaa,” including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise.

(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 or savings and loan associations (including the Trustee or 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) Trust accounts, trust funds, other deposit products, overnight banking deposits, interest-bearing money market accounts, interest-bearing demand or time deposits (including certificates of deposit), certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC or secured at all times by collateral described in (a) and/or (b) above.

(g) Commercial paper rated, at the time of purchase, “Prime-1” by Moody’s and “A-1” or better by S&P.

(h) Money-market deposit accounts, time deposits, Federal funds or bankers acceptances with a maximum term of 180 days of any bank which has an unsecured, uninsured and unguaranteed obligation rating at the time of investment of “Prime-1” or better by Moody’s and “A-1” or better by S&P.

(i) The Local Agency Investment Fund of the State created pursuant to 16429.1 of the California Government Code.

(j) Municipal obligations rated “A” or higher by S&P.

(k) Investment agreements of financial institutions or insurance companies, in each case having uninsured, unsecured and unguaranteed obligations rated “AA-” or better by Fitch, “AA-” or better by S&P, or “Aa3” or better by Moody’s, provided, however, that any such investment may be provided by a financial institution or insurance company having uninsured, unsecured and unguaranteed obligations not rated “AA-” or better by Fitch, “AA-” or better by S&P, or “Aa3” or better by Moody’s, if such investment is unconditionally insured, guaranteed or enhanced by an entity whose uninsured, unsecured and unguaranteed obligations are rated “AA-” or better by Fitch, “AA-” or better by S&P, or “Aa3” or better by Moody’s.

(l) Other forms of investments that satisfy the City’s Statement of Investment Policy as of the time of investment.

“*Principal Account*” means the account by that name established in the Bond Fund pursuant to Section 5.01.

“*Principal Corporate Trust Office*” means the corporate trust office of the Trustee in Los Angeles, California, or such other or additional offices as may be specified to the City and the Authority by the Trustee, except with regard to the Trustee that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“*Projects*” means the acquisition and construction of certain street improvements to be financed with the proceeds of the Bonds and as more specifically described in Exhibit A to the Installment Sale Agreement.

“*Project Costs*” means, with respect to any component of the Projects, all costs of the acquisition and construction thereof which are paid from moneys on deposit in the Project Fund, including but not limited to:

(a) all costs required to be paid to any person under the terms of any agreement for or relating to the acquisition and construction of component of the Projects;

(b) all capital costs related to the acquisition of property required in connection with the construction of the Projects, whether by negotiated purchase, eminent domain or otherwise.

(c) obligations incurred for labor and materials in connection with the acquisition and construction of such component of the Projects;

(d) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the acquisition and construction of such component of the Projects;

(e) all costs of engineering and architectural services, including the actual out-of-pocket costs for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as

well as for the performance of all other duties required by or consequent to the proper acquisition and construction of such component of the Projects;

(f) any sums required to reimburse the City for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the acquisition and construction of such component of the Projects; and

(g) all financing costs incurred in connection with the acquisition and construction of such component of the Projects, including but not limited to delivery costs and other costs incurred in connection with the Installment Sale Agreement and the financing of the Projects.

“*Project Fund*” means the fund by that name established and held by the Trustee pursuant to Section 3.04.

“*Record Date*” means, with respect to any Interest Payment Date, the fifteenth day of the calendar month preceding an Interest Payment Date. With respect to any payment of defaulted interest a special Record Date shall be established in accordance with the provisions hereof.

“*Redemption Fund*” means the fund by that name established pursuant to Section 5.07.

“*Registration Books*” means the records maintained by the Trustee pursuant to Section 2.05 for the registration and transfer of ownership of the Bonds.

“*Regulations*” means the regulations of the United States Department of Treasury issued under the Code.

“*Reserve Account*” means the account by that name established in the Bond Fund pursuant to Section 5.01.

[“*Reserve Policy*” means the Municipal Bond Debt Service Reserve Insurance Policy issued by the Municipal Bond Insurer for deposit in the Reserve Account in an amount equal to the Reserve Requirement.]

“*Reserve Requirement*” means, as of any calculation date in a Bond Year, an amount equal to the least of (a) maximum annual debt service on the Bonds, (b) 125% of average annual debt service on the Bonds, and (c) 10% of the original par amount of the Bonds. As of the Closing date, the Reserve Requirement is \$_____.

“*Revenues*” means (a) all amounts received by the Authority or the Trustee pursuant or with respect to the Installment Sale Agreement, including, without limiting the generality of the foregoing, all of the Installment Payments (including both timely and delinquent payments, any late charges, and whether paid from any source) and prepayments, and (b) all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Indenture; but excluding any Additional Payments.

“*S&P*” means S&P Global Ratings or its successors.

“*Securities Depositories*” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041-0099, Attention: Call Notification Department, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

“*Sinking Account*” means the account by that name in the Bond Fund established pursuant to Section 5.01.

“*State*” means the State of California.

“*Subordinate Obligations*” means any obligations of the City payable from and secured by a pledge of and lien upon any of the Pledged Measure Receipts subordinate to the Installment Payments and any Parity Obligations.

“*Supplemental Indenture*” means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“*Tax Certificate*” means the certificate of the Authority dated the Closing Date, with respect to tax matters.

“*Term Bonds*” means the Bonds maturing on _____ 1, _____, and _____ 1, _____.

“*Trustee*” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee hereunder as provided in Section 8.01.

“*Written Certificate*,” “*Written Request*” and “*Written Requisition*” of the Authority or the City mean, respectively, a written certificate, request or requisition signed in the name of the Authority or the City by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02. Rules of Construction. All references in this Indenture to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words “herein,” “hereof,” “hereunder,” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03. Authorization and Purpose of Bonds. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, happen and/or be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized under each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture. Accordingly, the Authority hereby authorizes the issuance of the Bonds pursuant to this Indenture for the purposes described herein.

Section 1.04. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract between the Authority and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II
AUTHORIZATION OF BONDS

Section 2.01. Authorization of Bonds. The Authority hereby authorizes the issuance of the Bonds, which shall constitute special obligations of the Authority, for the purpose of providing funds to finance the Projects. The Bonds are hereby designated the “Lancaster Financing Authority Revenue Bonds, Series 2019 (Measure M & R Street Improvements Project).” The aggregate principal amount of Bonds initially issued and Outstanding under this Indenture shall equal _____ (____). At any time after the execution of this Indenture, the Authority may execute and the Trustee shall authenticate and, upon the Written Request of the Authority, deliver the Bonds. This Indenture constitutes a continuing agreement with the Trustee and the Owners from time to time of the Bonds to secure the full payment of the principal of and interest on all the Bonds, subject to the covenants, provisions and conditions herein contained.

Section 2.02. Terms of the Bonds.

(a) The Bonds shall be issued in fully registered form without coupons in Authorized Denominations, so long as no Bond shall have more than one maturity date.

(b) The Bonds shall mature on June 1 in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

Maturity Date	Principal Amount	Interest Rate
(____ 1)		

(c) Interest on the Bonds shall be payable semiannually on each Interest Payment Date, to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed on the Interest Payment Date by first class mail to the Owners at the respective addresses of such Owners as they appear on the Registration Books; *provided however*, that payment of interest may be made by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee at least five (5) days before the applicable Record Date. Principal of any Bond shall be paid by check of the Trustee upon presentation and surrender thereof at the Office, except as provided in Section 2.04. Principal of and interest on the Bonds shall be payable in lawful money of the United States of America.

(d) Each Bond shall be dated as of the date of authentication thereof and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before _____ 15, 20____, in which event it shall bear interest from the Closing Date; *provided, however*, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03. Transfer and Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Transfer of any Bond shall not be permitted by the Trustee during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption pursuant to Article IV. Whenever any Bonds or Bonds shall be surrendered for transfer, the Authority shall execute, and the Trustee shall authenticate and shall deliver a new Bond or Bonds for a like aggregate principal amount and of like series and maturity. The Trustee may require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Bonds and any services rendered, or expenses incurred by the Trustee in connection with any transfer shall be paid by the Authority.

Any Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of like maturity and series. Exchange of any Bond shall not be permitted during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption pursuant to Article IV. The Trustee may require the Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing Bonds and any services rendered, or expenses incurred by the Trustee in connection with any transfer shall be paid by the Authority.

The transferor shall also provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including

without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.04. Book-Entry System. Notwithstanding any provision of this Indenture to the contrary:

(a) The Bonds shall be initially issued registered in the name of “Cede & Co.,” as nominee of The Depository Trust Company, the depository designated by the Original Purchaser, and shall be evidenced by one certificate maturing on each of the maturity dates for each series set forth in Section 2.02 hereof to be in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company or its nominee, or of any substitute depository designated pursuant to paragraph (ii) of this subsection (a) (“substitute depository”); provided that any successor of The Depository Trust Company or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any substitute depository designated in a written request of the Authority, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the Authority that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the Authority that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that no substitute depository which is not objected to by the Authority and the Trustee can be obtained.

(b) In the case of any transfer pursuant to paragraph (i) or paragraph (ii) of subsection (a) of this Section 2.04, upon receipt of all Outstanding Bonds by the Trustee, together with a written request of an Authorized Representative of the Authority to the Trustee, a single new Bond shall be issued, authenticated and delivered for each maturity of such Bond then outstanding, registered in the name of such successor or such substitute depository or their nominees, as the case may be, all as specified in such written request of an Authorized Representative of the Authority. In the case of any transfer pursuant to paragraph (iii) of subsection (a) of this Section 2.04, upon receipt of all Outstanding Bonds by the Trustee together with a written request of an Authorized Representative of the Authority, new Bonds shall be issued, authenticated and delivered in such denominations and registered in the names of such persons as are requested in a written request of the Authority provided the Trustee shall not be required to deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a written request of an Authorized Representative of the Authority.

(c) In the case of partial redemption or an advance refunding of any Bonds evidencing all of the principal of a series maturing in a particular year, The Depository Trust Company shall, at the Authority's expense, deliver the Bonds to the Trustee for cancellation and re-registration to reflect the amounts of such reduction in principal.

(d) The Authority and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the absolute Owner thereof for all purposes of this Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Authority; and the Authority and the Trustee shall have no responsibility for transmitting payments to, communication with, notifying or otherwise dealing with any beneficial owners of the Bonds. Neither the Authority nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including The Depository Trust Company or its successor (or substitute depository or its successor), except for the registered owner of any Bond.

(e) So long as all outstanding Bonds are registered in the name of Cede & Co. or its registered assign, the Authority and the Trustee shall reasonably cooperate with Cede & Co., as sole registered Owner, or its registered assign in effecting payment of the principal of and interest due with respect to the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

(f) So long as all Outstanding Bonds are registered in the name of Cede & Co. or its registered assigns (hereinafter, for purposes of this paragraph (f), the "Owner"):

(i) All notices and payments addressed to the Owners shall contain the Bonds' CUSIP number.

(ii) Notices to the Owner shall be forwarded in the manner set forth in the form of blanket issuer letter of representations (prepared by The Depository Trust Company) executed by the Authority and received and accepted by The Depository Trust Company.

(g) In connection with any proposed transfer outside the Book-Entry Only system, the Issuer, the Borrower or The Depository Trust Company shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.05. Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall at all reasonable times upon reasonable prior notice be open to inspection during regular business hours by the Authority and the City; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

Section 2.06. Form and Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the facsimile signature of its Executive Director and attested with the facsimile signature of its Secretary and shall be delivered to the Trustee for authentication by

it. In case any officer of the Authority who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though the individual who signed the same had continued to be such officer of the Authority. Also, any Bond may be signed on behalf of the Authority by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

Only such of the Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.07. Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.08. Bond Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Authority and the Trustee and, if such evidence be satisfactory to them and indemnity satisfactory to them shall be given, the Authority, at the expense of the Owner of such lost, destroyed or stolen Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.08 and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section 2.08 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any

time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

Section 2.09. CUSIP Numbers. None of the Trustee, the Authority or the City shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that none of the Trustee, the Authority or the City shall be liable for any inaccuracies in such numbers.

ARTICLE III ISSUANCE OF THE BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of the Bonds. At any time after the execution of this Indenture, the Authority may execute and the Trustee shall authenticate and, upon the Written Request of the Authority, deliver Bonds in the aggregate principal amount of _____dollars (____).

Section 3.02. Application of Proceeds of Sale of Bonds.

(a) Upon the receipt of payment for the Bonds on the Closing Date of \$____, which amount represents the principal amount of the Bonds of _____.00, less \$____, representing the Underwriter's discount, plus \$____ representing a [net original issue premium], [less \$____ paid (as an accommodation to the Authority) to the Municipal Bond Insurer as the premium for the Reserve Policy], the Trustee shall apply the proceeds of sale thereof as follows:

(i) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund; and

(ii) The Trustee shall deposit the amount of \$_____ in the Reserve Account of the Bond Fund; and

(iii) The Trustee shall deposit the amount of \$_____ in the Project Fund.

(b) The Trustee may, in its sole discretion, establish such funds or accounts in its records to facilitate the foregoing deposits.

Section 3.03. Establishment and Application of Costs of Issuance Fund.

(a) The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund."

(b) The moneys in the Costs of Issuance Fund shall be disbursed by the Trustee to pay the Costs of Issuance.

(c) The Trustee shall disburse moneys in the Costs of Issuance Fund only upon a receipt of a sequentially numbered requisition, with bills, invoices or statements attached, signed by an Authorized Representative of the City setting forth the amounts to be disbursed for payment

or reimbursement of Costs of Issuance and the name and address of the person or persons to whom said amounts are to be disbursed, stating that the amounts to be disbursed are for Costs of Issuance properly chargeable to the Costs of Issuance Fund.

(d) The Trustee shall be responsible for the safekeeping and investment (in accordance with Section 8.02 hereof) of the moneys held in the Costs of Issuance Fund and the payment thereof in accordance with this Section 3.03, but the Trustee shall not be responsible for such requisitions. Each requisition by and Authorized Representative of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(e) On _____ 1, 20____, or upon the earlier Written Request of the City, all amounts remaining in the Costs of Issuance Fund shall be transferred by the Trustee to the Project Fund and the Costs of Issuance Fund shall be closed.

Section 3.04. Establishment and Application of Project Fund.

(a) The Trustee shall establish, maintain and hold in trust a separate fund designated as the “Project Fund.”

(b) Except as otherwise provided herein, moneys in the Project Fund shall be used solely for the payment of the Project Costs.

(c) The Trustee shall disburse moneys in the Project Fund from time to time to pay Project Costs (or to reimburse the City for payment of Project Costs) upon receipt by the Trustee of a Written Requisition of the City which: (i) states with respect to each disbursement to be made (A) the requisition number, (B) the name and address of the person, firm or corporation to whom payment will be made, (C) the amount to be disbursed, (D) that each obligation mentioned therein is a proper charge against the Project Fund and has not previously been disbursed by the Trustee from amounts in the Project Fund, (E) that all conditions precedent set forth in the Installment Sale Agreement with respect to such disbursement have been satisfied, and (F) that the amount of such disbursement is for a Project Cost eligible to be paid for by both a Measure M Project and a Measure R Project; (ii) specifies in reasonable detail the nature of the obligation; and (iii) is accompanied by a bill or statement of account (if any) for each obligation. The Trustee may conclusively rely on the information contained in any Written Requisition and shall have no responsibility with respect to the application of any funds disbursed in accordance with such Written Requisitions.

(d) Upon the filing with the Trustee of a Written Certificate of the City stating that the Project has been completed and that all Written Requisitions intended to be filed by the City pursuant to Section 3.2 of the Installment Sale Agreement have been filed, the Trustee shall withdraw all amounts then on deposit in the Project Fund and transfer such amounts to the Bond Fund and the Project Fund shall be closed.

Section 3.05. Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Trustee with respect to or in connection with the Installment Sale Agreement. The recital contained in the Bonds that the same are issued pursuant to the Constitution and laws of the

State shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE IV
REDEMPTION OF BONDS

Section 4.01. Terms of Redemption. The Bonds shall be subject to mandatory redemption as a whole or in part, upon twenty (20) days' written notice to the Trustee by the City (or such shorter period as shall be acceptable by the Trustee in its sole discretion) of its intention to optionally prepay the Installment Payments, on any date on or after _____ 1, _____, from any available source of funds of the City, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. Any such redemption shall be in such order of maturity as the City shall designate (and, if no specific order of redemption is designated by the City, in inverse order of maturity).

Section 4.02. Sinking Fund Redemption. The Bonds maturing on _____ 1, _____ (the "Term Bonds") shall be subject to redemption from Mandatory Sinking Fund Payments in part on _____ 1, _____, and on each June 1 thereafter, to and including _____ 1, _____, to the extent of the sinking fund payment made by the Authority, derived from Installment Payments made by the City, with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium, as follows:

Sinking Account Redemption Date (_____ 1)	Principal Amount to be <u>Redeemed or Purchased</u>
---	--

+Maturity

In the event that the Trustee shall redeem Term Bonds in part but not in whole pursuant to this Section 4.01, the amount of the Term Bonds to be redeemed in each subsequent year pursuant

to this Section 4.02 shall be reduced in such order as shall be determined by the City, and the City shall provide a revised sinking fund schedule to the Trustee.

Section 4.03. Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds of a particular maturity, the Trustee shall select the Bonds to be redeemed from all Bonds of such maturity or such given portion thereof not previously called for redemption, by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, the Trustee shall treat each Bond as consisting of separate \$5,000 portions and each such portion shall be subject to redemption as if such portion were a separate Bond.

Section 4.04. Notice of Redemption. Notice of redemption shall be mailed by first class mail, postage prepaid, not less than twenty (20) nor more than sixty (60) days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books, to the Securities Depositories and to the Information Services. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all Bonds within a maturity are called for redemption) Bond numbers of the Bonds to be redeemed, the maturity or maturities of the Bonds to be redeemed, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed and, if such redemption is made pursuant to Section 4.01, that such redemption is conditioned upon receipt by the Trustee of sufficient funds to insure the payment of the redemption price, including principal and interest. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue and shall require that such Bonds be then surrendered. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

Section 4.05. Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Authority shall execute, and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered.

Section 4.06. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed pursuant to the provisions of this Article shall be canceled by the Trustee upon surrender thereof and destroyed.

Section 4.07. Purchase of Bonds. In lieu of redemption of Bonds as provided in this Article IV, amounts held by the Trustee for such redemption received from the City may also be used, upon receipt by the Trustee at least seventy-five (75) days prior to the redemption date of the written request of an Authorized Representative of the Authority, for the purchase of Bonds at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the City may in its discretion direct, but not to exceed the redemption price which would be payable if such Bonds were redeemed. The aggregate principal amount of Bonds of the same maturity purchased in lieu of redemption pursuant to this Section 4.07 shall not exceed the aggregate principal amount of Bonds of such maturity which would otherwise be subject to such redemption. Remaining moneys, if any, shall be transferred to the City and deposited in the Bond Fund.

ARTICLE V
REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF
PRINCIPAL AND INTEREST

Section 5.01. Pledge and Assignment; Bond Fund.

(a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to this Indenture are hereby pledged to secure the payment of the principal of and interest on the Bonds. Subject to Section 7.03, said pledge shall constitute a first lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act.

(b) The Authority hereby transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the rights of the Authority in the Installment Sale Agreement (except for certain rights to indemnification set forth therein), and the Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to and shall, subject to the provisions of Article VIII, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority, all of the obligations of the City under the Installment Sale Agreement.

The assignment of the Installment Sale Agreement to the Trustee is solely in its capacity as Trustee under this Indenture and the duties, powers and liabilities of the Trustee in acting thereunder shall be subject to the provisions of this Indenture, including, without limitation, the provisions of Article VIII hereof. The Trustee shall not be responsible for any representations, warranties, covenants or obligations of the Authority.

(c) All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Bond Fund" which the Trustee shall establish, maintain and hold in trust. Within the Bond Fund there shall be established an Interest Account, a Principal

Account and a Reserve Account and a Sinking Account. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture.

Section 5.02. Allocation of Revenues. Not later than the Business Day preceding each Interest Payment Date, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts, the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account equal to the amount of interest coming due and payable on such Interest Payment Date on all Bonds then Outstanding. The Trustee shall deposit in the Principal Account an amount, if any, required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such Interest Payment Date.

(b) The Trustee shall deposit in the Sinking Account an amount, if any, required to cause the aggregate amount on deposit in the Sinking Account to equal the aggregate principal amount of the Term Bonds required to be redeemed on such Interest Payment Date pursuant to Section 4.01.

(c) The Trustee shall deposit in the Reserve Account an amount, if any, required to cause the amount on deposit in the Reserve Account to be equal to the Reserve Requirement.

(d) If the then applicable Interest Payment Date is _____ 1, all remaining moneys shall be held by the Trustee in the Bond Fund and applied for the next succeeding June 1 Interest Payment Date deposit. If the then applicable Interest Payment Date is _____ 1, all remaining moneys shall be transferred to the City to be used for any lawful purpose.

Section 5.03. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

Section 5.04. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at their respective maturity dates.

Section 5.05. Application of Sinking Account. All amounts in the Sinking Account shall be used and withdrawn by the Trustee solely to pay the aggregate principal amount of the Term Bonds required to be redeemed on such _____ 1 pursuant to Section 4.01.

Section 5.06. Application of Reserve Account. An amount equal to the Reserve Requirement shall be maintained in the Reserve Account. [In lieu of a cash deposit to the Reserve Account, the Reserve Policy shall be delivered to the Trustee on the Closing Date.] [The prior written consent of the Municipal Bond Insurer shall be a condition precedent to the deposit of any

credit instrument (other than the Reserve Policy) provided in lieu of a cash deposit into the Reserve Account. Notwithstanding anything to the contrary set forth in the Indenture, amounts on deposit in the Reserve Account shall be applied solely to the payment of principal of and interest on the Bonds.]

The Trustee shall, on or before each _____ 15 and _____ 15, value investments in the Reserve Account at market value and transfer any moneys in the Reserve Account then in excess of the Reserve Requirement; *provided, however*, that the Trustee shall not liquidate an investment to make such transfer of excess unless so directed in writing by a City Representative.

[If, on any Interest Payment Date, the moneys available in the Bond Fund do not equal the amount of the principal and interest with respect to the Bonds then coming due and payable, the Trustee shall apply the moneys available in the Reserve Account to make delinquent Installment Payments by transferring the amount necessary for this purpose to the Bond Fund or shall draw on the [Reserve Policy] and apply amounts received from such draw to make delinquent Installment Payments. To the extent there is cash or investments on deposit in the Reserve Account, such cash or investments shall be applied first before there is any draw on the Reserve Policy or any other credit facility credited to the Reserve Account in lieu of cash (a “Credit Facility”). Upon receipt of any delinquent Installment Payment with respect to which moneys have been advanced from the Reserve Account or there has been a draw on the Reserve Policy, such Installment Payment shall be deposited in the Reserve Account to the extent of such advance and first applied to reimburse a draw on the Reserve Policy and then to replenish any cash drawn therefrom.]

If, on any Interest Payment Date, the moneys on deposit in the Reserve Account and the Bond Fund (excluding amounts required for payment of principal of and interest on the Bonds not presented for payment) are sufficient to pay all Outstanding Bonds, including all principal and interest, the Trustee shall transfer all amounts then on deposit in the Reserve Account to the Bond Fund to be applied to the payment of the Installment Payments, and such moneys shall be distributed to the Owners of Bonds in accordance with the Indenture. Any amounts remaining in the Reserve Account upon payment in full of all Outstanding Bonds and all amounts due the Municipal Bond Insurer and the Trustee under the Indenture, or upon provision for such payment as provided in the Indenture, shall be withdrawn by the Trustee and paid to the City.

Section 5.07. Application of Redemption Fund. The Trustee shall establish and maintain the Redemption Fund, amounts in which shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds to be redeemed pursuant to Section 4.01; *provided, however*, that at any time prior to the selection of Bonds for redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale.

Section 5.08. Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments. Such investments shall be directed by the City pursuant to a Written Request of the City filed with the Trustee at least two (2) Business Days in advance of the making of such investments (which Written Request shall certify that the investments constitute Permitted Investments). In the absence of any such directions, the Trustee shall hold such funds uninvested. Permitted Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of

the funds or accounts established hereunder shall be deposited in the Bond Fund, except that interest or gain derived from the investment of amounts in the Project Fund shall be retained therein and used for the purposes thereof. To the extent that any investment agreement requires the payment of fees, such fees shall be paid from available moneys in the Bond Fund after the deposit of moneys described in Section 5.02. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee or its affiliates may act as sponsor, advisor or depository with respect to any Permitted Investment. To the extent that any Permitted Investment purchased by the Trustee are registrable securities such Permitted Investment shall be registered in the name of the Trustee. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 5.08.

Such investments shall be valued by the Trustee at the market value thereof, exclusive of accrued interest. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding valuation date.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority will not receive such confirmations to the extent permitted by law. The Trustee, at no additional cost, will furnish the Authority with account transaction statements as provided herein which shall include detail for all investment transactions made by the Trustee hereunder.

Section 5.09. Valuation and Disposition of Investments. All moneys held by the Trustee shall be held in trust but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it but shall be liable only to account to the Authority for earnings derived from funds that have been invested.

The Authority covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code), shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow: (i) its normal practices in the purchase, sale and determining the value of Permitted Investments; and (ii) the investment direction of the City.

ARTICLE VI PARTICULAR COVENANTS

Section 6.01. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal of and interest on all the Bonds in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Indenture.

Section 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of

payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 6.02 shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes and reserves the right to issue other obligations for such purposes. Nothing in this Section 6.03 shall in any way limit the City's ability to encumber its assets in accordance with the Installment Sale Agreement.

Section 6.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority represents and warrants that it is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture and the Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms. The Authority and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Owners under this Indenture against all claims and demands of all persons whomsoever.

Section 6.05. Accounting Records. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds, the Revenues, the Installment Sale Agreement and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority and the City, during business hours with prior notice and under reasonable circumstances.

Section 6.06. No Additional Obligations. The Authority covenants that no additional bonds, notes or other indebtedness shall be issued or incurred which are payable out of the Revenues in whole or in part.

Section 6.07. Tax Covenants. The Authority covenants to and for the benefit of the Owners that, notwithstanding any other provisions of this Indenture (other than Section 11.01 hereof), it will:

(a) neither make or use nor cause to be made or used any investment or other use of the proceeds of the Bonds or the moneys and investments held in the funds and accounts

established under this Indenture which would cause the Bonds to be arbitrage bonds under section 103(b) and section 148 of the Code and the Regulations issued under section 148 of the Code or which would otherwise cause the interest payable on the Bonds to be includable in gross income for federal income tax purposes;

(b) not take or cause to be taken any other action or actions, or fail to take any action or actions, which would cause the interest payable on the Bonds to be includable in gross income for federal income tax purposes;

(c) at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on the Bonds will be excluded from the gross income, for federal income tax purposes, of the Owners pursuant to section 103 of the Code; and

(d) not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Regulations.

In furtherance of the covenants in this Section 6.07, the Authority shall execute, deliver and comply with the provisions of the Tax Certificate, which is by this reference incorporated into this Indenture and made a part of this Indenture as if set forth in this Indenture in full including all of the defined terms therein, and by its acceptance of this Indenture the Trustee acknowledges receipt of the Tax Certificate and acknowledges its incorporation in this Indenture by this reference. The Trustee shall be deemed conclusively to have complied with the Tax Certificate if it follows the written directions of the Authority and City, including supplying all necessary information in the manner provided in the Tax Certificate, and shall have no liability or responsibility to enforce compliance by the Authority and the City with the terms of the Tax Certificate. The Trustee agrees it will invest funds held under this Indenture in accordance with the terms of this Indenture (this covenant shall extend throughout the term of the Bonds, to all funds and accounts created under this Indenture and all moneys on deposit to the credit of any fund or account).

Section 6.08. Rebate Fund.

(a) The Trustee shall establish and maintain, when required, a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary to comply with instructions of the Authority given pursuant to the terms and conditions of the Tax Certificate. Subject to the transfer provisions provided in paragraph (e) below, 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 (required by the Tax Certificate and referred to herein as the “Rebate Requirement”), for payment to the federal government of the United States of America. Neither the Authority nor the Owner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 6.08, by Section 6.07 and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the directions of the Authority including supplying all necessary information in the manner provided in the Tax Certificate and

shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate or any other tax covenants contained herein. The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report or rebate calculations. The Trustee shall have no independent duty to review such calculations or enforce the compliance by the Authority with such rebate requirements. The Trustee shall have no duty or obligation to determine the applicability of the Code and shall only be obligated to act in accordance with written instructions provided by the Authority.

(b) Upon the Authority's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the Authority, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the Authority in accordance with the Tax Certificate. The Trustee shall supply to the Authority all necessary information in the manner provided in the Tax Certificate to the extent such information is reasonably available to the Trustee.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 6.08, other than from moneys held in the funds and accounts created under this Indenture or from other moneys provided to it by the Authority.

(d) At the written direction of the Authority, the Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments, subject to the restrictions set forth in the Tax Certificate. Moneys shall not be transferred from the Rebate Fund except as provided in paragraph (e) below. The Trustee shall not be liable for any consequences arising from such investment.

(e) Upon receipt of the Authority's written directions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the Authority so directs, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the Authority's written directions; *provided, however*, only moneys in excess of the Rebate Requirement may, at the written direction of the Authority, be transferred out of the Rebate Fund to such other accounts or funds or to anyone other than the United States in satisfaction of the arbitrage rebate obligation. Any funds remaining in the Rebate Fund after each five-year remission to the United States, redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Requirement, or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the Authority.

(f) Notwithstanding any other provision of this Indenture, including in particular Article X, the obligation to remit the Rebate Requirement to the United States and to comply with all other requirements of this Section 6.08, Section 6.07 and the Tax Certificate shall survive the defeasance or payment in full of the Bonds.

Section 6.09. Collection of Amounts Due Under the Installment Sale Agreement. The Trustee shall promptly collect all amounts due from the City pursuant to the Installment Sale Agreement. Subject to the provisions of Article VIII, the Trustee shall enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Authority, for the enforcement of all of the obligations of the City under the Installment Sale Agreement.

The Authority shall not amend, modify or terminate any of the terms of the Installment Sale Agreement, or consent to any such amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent only if (a) in the opinion of Bond Counsel, such amendment, modification or termination will not materially adversely affect the interests of the Owners, or (b) the Trustee first obtains the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding to such amendment, modification or termination.

Section 6.10. Reserved.

Section 6.11. Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension of law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Section 6.12. Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. The following events shall be Events of Default hereunder:

(a) Default in the due and punctual payment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Default in the due and punctual payment of any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds, if such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee; provided, however, that if in the reasonable opinion of the Authority the default stated in the notice can be corrected, but not within such thirty (30) day period, such default shall not constitute an Event of Default hereunder if the Authority shall commence to cure such default within such sixty (60) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The occurrence and continuation of an event of default with respect to any Parity Obligation.

Section 7.02. Remedies Upon Event of Default. If any Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, and shall at the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, upon notice in writing to the Authority and the City, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding.

Any such declaration is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority or the City shall deposit with the Trustee a sum sufficient to pay all the principal of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds to the extent permitted by law, and the reasonable fees, charges and expenses (including those of its attorneys) of the Trustee, and any and all other Events of Default known to the Trustee (other than in the payment of principal of and interest on the Bonds 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 Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Authority, the City and the Trustee, or the Trustee if such declaration was made by the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such Event of Default; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair or exhaust any right or power consequent thereon.

Section 7.03. Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture; and

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of this Indenture, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

Third: [To the Municipal Bond Insurer for any amounts due with respect to the Reserve Policy.]

Section 7.04. Trustee to Represent Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, this Indenture and applicable provisions of any law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Bonds, this Indenture or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under this Indenture, pending such proceedings. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

Section 7.05. Owners' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would expose it to liability (the Trustee having no duty to make such determination).

Section 7.06. Limitation on Owners' Right to Sue. Notwithstanding any other provision hereof, no Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the

Installment Sale Agreement or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds 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) such Owner or Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Installment Sale Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 7.07. Absolute Obligation of Authority. Nothing in Section 7.06 or in any other provision of this Indenture or in the Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.08. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners, then in every such case the Authority, the Trustee and the Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee and the Owners shall continue as though no such proceedings had been taken.

Section 7.09. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.10. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default

shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

Section 7.11. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Authority, the Trustee and the Municipal Bond Insurer, their officers, employees and agents, and the Owners any right, remedy or claim under or by reason of this Indenture, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the City, the Authority, the Trustee and the Municipal Bond Insurer, their officers, employees and agents, and the Owners.

ARTICLE VIII THE TRUSTEE

Section 8.01. Appointment of Trustee. U.S. Bank National Association, a national banking association organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority agrees that it will maintain a Trustee having a corporate trust office in the State, with (or if a member of a bank holding company system, its parent holding company shall have) a combined capital and surplus of at least one hundred million dollars (\$100,000,000), and subject to supervision or examination by federal or State authority, so long as any Bonds are Outstanding. If such national banking association, 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 8.01 the combined capital and surplus of such national banking association, 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 is hereby authorized to pay the principal of and interest on the Bonds when duly presented for payment at maturity, or on redemption or purchase prior to maturity, and to cancel all Bonds upon payment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Bonds paid and discharged.

Section 8.02. Acceptance of Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default hereunder has occurred (which has not been cured or waived), the Trustee may exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care and skill and diligence in their exercise, as a prudent person would use in the conduct of its own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder. The Trustee shall not be responsible for any misconduct or negligence on the part of any agent, receiver or attorney appointed with due care by it hereunder. The Trustee may conclusively rely upon an opinion of counsel as full and complete protection for any action taken or suffered by it hereunder.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby and the Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Authority hereunder.

(d) Except as provided in Section 3.02, the Trustee shall not be accountable for the use of any proceeds of sale of the Bonds delivered hereunder. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee; may acquire and dispose of other bonds or evidences of indebtedness of the Authority with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee shall represent the Owners of the majority of the Bonds.

(e) The Trustee shall be protected in acting, in good faith and without negligence, upon any notice, request, consent, certificate, order, affidavit, letter, telegram, requisition, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith and without negligence pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Bond or to take any action at his request unless the ownership of such Bond by such person shall be reflected on the Registration Books.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a Written Certificate of the Authority as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default hereunder of which the Trustee has been given notice or is deemed to have notice, as provided in Section 8.02(h) hereof, shall also be at liberty to accept a Written Certificate of the Authority to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture 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.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder, under the Installment Sale Agreement, except failure by the Authority to make any of the payments to the Trustee required to be made by the Authority pursuant hereto or failure by the Authority to file with the Trustee any document required by this Indenture to be so filed subsequent to the issuance of the Bonds, unless the Trustee shall be specifically notified in writing of such default by the Authority, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Trust Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default hereunder except as aforesaid.

(i) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, accountants and Representative, shall have the right (but not any duty) fully to inspect all books, papers and records of the Authority pertaining to the Bonds, and to make copies of any of such books, papers and records such as may be desired, but which is not privileged by statute or by law.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises hereof.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the execution of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as may be deemed desirable for the purpose of establishing the right of the Authority to the execution of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking any action under Article VII hereof or this Article VIII at the request or direction of the Owners, the Trustee may require payment or reimbursement of its fees and expenses, including fees and expenses of counsel and receipt of an indemnity bond satisfactory to it from the Owners to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct in connection with any action so taken. Before being required to take any action, the Trustee may require an opinion of counsel acceptable to the Trustee, which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.

(n) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be provided that the Trustee was negligent in ascertaining the pertinent facts.

Whether or not therein expressly so provided, every provision of this Indenture, the Installment Sale Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document.

(o) The Trustee shall have no responsibility for or liability in connection with assuring that all of the procedures or conditions to closing set forth in the contract for purchase of the Bonds have been met on the closing date or, that all documents required to be delivered on the Closing Date to the parties are actually delivered, except its own responsibility to receive the proceeds of the sale, deliver the Bonds or other certificates expressly required to be delivered by it and its counsel.

The Trustee may assume that parties to the contract for purchase of the Bonds have waived their rights to receive documents or to require the performance of procedures if the parties to whom such documents are to be delivered or for whom such procedures are to be performed do not require delivery or performance on or prior to the Closing Date.

(p) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(q) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar even and/or occurrences beyond the control of the Trustee.

(r) Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the Authority or City, and such certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such certificate, 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.

(s) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered

using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority and City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority and City whenever a person is to be added or deleted from the listing. If the Authority and City elect to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Authority and City understand and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority and City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority and City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority and City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority and City agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 8.03. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement from the City and the Authority for reasonable fees for its services rendered hereunder and all advances, counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Upon the occurrence of an Event of Default hereunder, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment of any Bond upon the amounts held hereunder for the foregoing fees, charges and expenses incurred by it respectively.

Section 8.04. Notice to Owners of Default. If an Event of Default hereunder occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 8.02(h) hereof, then the Trustee shall immediately give written notice thereof, by first-class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; *provided, however*, that unless such Event of Default consists of the failure by the Authority to make any payment when due, the Trustee shall, within thirty (30) days of the Trustee’s knowledge thereof, give such notice to the Owners unless the Trustee in good faith determines that it is in the best interests of the Owners not to give such notice.

Section 8.05. Intervention by Trustee. In any judicial proceeding to which the Authority is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the Owners of any of the Bonds, the Trustee may intervene on behalf of such Owners, and subject to Section 8.02(1) hereof, shall do so if requested in writing by the Owners of at least twenty-five percent (25%) of the Bonds.

Section 8.06. Removal of Trustee. The Owners of a majority of the Bonds may upon thirty (30) days' prior written notice, and the Authority may at any time, so long as no Event of Default shall have occurred and then be continuing, remove the Trustee initially appointed, and any successor thereto, by an instrument or concurrent instruments in writing delivered to the Trustee, whereupon the Authority (with the written consent of the City) or such Owners, as the case may be, shall appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company meeting the requirements set forth in Section 8.01.

Section 8.07. Resignation by Trustee. The Trustee and any successor Trustee may at any time give written notice of its intention to resign as Trustee hereunder, such notice to be given to the Authority and the City by first class mail. Upon receiving such notice of resignation, the Authority (with the written approval of the City) shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the Authority shall cause notice thereof to be given by first class mail, postage prepaid, to the Owners at their respective addresses set forth on the Registration Books.

Section 8.08. Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 8.06 or 8.07, respectively, and if the Owners shall not have approved a successor Trustee, then, with the prior written consent of the City, the Authority shall promptly appoint a successor Trustee. In the event the Authority shall for any reason whatsoever fail to appoint a successor Trustee within sixty (60) days following the delivery to the Trustee of the instrument described in Section 8.06 or within sixty (60) days following the receipt of notice by the Authority pursuant to Section 8.07, the Trustee may, at the expense of the Authority, apply to a court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 8.01 hereof. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the Authority purporting to appoint a successor Trustee following the expiration of such sixty-day period.

Within sixty (60) days following the appointment of a successor Trustee hereunder, the former Trustee shall deliver to such successor Trustee (a) all funds and amounts held by the former Trustee hereunder, and (b) any and all information and documentation as may be required or reasonably requested by the Authority or such successor Trustee in connection with the transfer to such successor Trustee of all the duties and functions of the Trustee hereunder. The Authority shall pay the reasonable costs and expenses of such former Trustee incurred in connection with such transfer.

Section 8.09. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such

company shall meet the requirements set forth in Section 8.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 8.10. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor Trustee and also to the Authority an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the Request of the Authority, or of the Trustee's successor, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

Section 8.11. Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 8.11 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Authority be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 8.12. Indemnification; Limited Liability of Trustee. The Authority covenants and agrees to indemnify and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense, including legal fees and expenses, and liabilities which it may incur arising out of or in the exercise and performance of its powers and duties hereunder or with respect to the Installment Sale Agreement, including the reasonable costs and expenses of defending against any claim of liability or arising out of any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other disclosure utilized in connection with the sale of the Bonds, but excluding any and all losses, expenses and liabilities which are due to the negligence or misconduct of the Trustee, its officers, directors, agents or employees. No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder if repayment of such funds or adequate indemnity against such liability or risk is not assured to it. The Trustee shall not be liable for any action taken or omitted to be taken by it in accordance with the direction of the Owners of at least a majority of the principal amount of the Bonds relating to the time, method and place of exercising any trust or power or conducting any proceeding or remedy available to the Trustee under this Indenture of for any special, indirect, consequential or punitive damages. The obligations of the Authority hereunder shall survive the resignation or removal of the Trustee, or the discharge of this Indenture.

ARTICLE IX MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 9.01. Amendments Permitted.

(a) This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the Authority and the Trustee may enter into when the written consents of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(b) This Indenture and the rights and obligations of the Authority, of the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Owners, if the Trustee has been furnished an opinion of counsel that the provisions

of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Bonds, including, without limitation, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority may deem necessary or desirable;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute; or

(iv) to modify, amend or supplement this Indenture in such manner as to cause interest on the Bonds to remain excludable from gross income under the Code.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section 9.01 which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(d) Prior to the Trustee's entering into any Supplemental Indenture hereunder, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of this Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion from gross income for purposes of federal income taxes of interest on the Bonds.

(e) Written notice of any amendment or modification made pursuant to this Section 9.01 shall be given by the Authority to any rating agency then rating the Bonds provided that failure to provide such notice shall not invalidate the proceedings for such amendment or modification at least thirty (30) days prior to the effective date of such amendment or modification.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority

as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same series and maturity.

Section 9.04. Amendment of Particular Bonds. The provisions of this Article IX shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him.

ARTICLE X DEFEASANCE

Section 10.01. Discharge of Indenture. Any or all of the Outstanding Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority:

- (a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;
- (b) by depositing with the Trustee, in trust, at or before maturity, Defeasance Obligations in the necessary amount (as provided in Section 10.03) to pay or redeem such Bonds; or
- (c) by delivering to the Trustee, for cancellation by it, such Bonds.

If the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority, then and in that case, at the election of the Authority (evidenced by a Written Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Indenture), and notwithstanding that any of such Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture with respect to such Bonds and all covenants, agreements and other obligations of the Authority under this Indenture with respect to such Bonds shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Written Request of the Authority, 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, transfer, assign or deliver to the City all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment or redemption of any of such Bonds not theretofore surrendered for such payment or redemption.

Section 10.02. Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to maturity, notice of

such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 10.04.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03. Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Bonds and all unpaid interest thereon to the redemption date; or

(b) Defeasance Obligations, the principal of and interest on which when due will, in the written opinion of an Independent Accountant filed with the City, the Authority and the Trustee, provide money sufficient to pay the principal of and interest on the Bonds to be paid or redeemed, as such principal and interest become due, provided that in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, in each case, that (i) the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Written Request of the Authority) to apply such money to the payment of such principal and interest with respect to such Bonds, and (ii) the Authority shall have delivered to the Trustee an opinion of Bond Counsel to the effect that such Bonds have been discharged in accordance with this Indenture (which opinion may rely upon and assume the accuracy of the Independent Accountant's opinion referred to above).

Section 10.04. Unclaimed Funds. Notwithstanding any provisions of this Indenture, and subject to applicable provisions of State law, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two (2) years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption as provided in this Indenture), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid (without the liability for interest) to the City free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the Authority as aforesaid, the Trustee shall (at the written request and cost of the Authority) first mail to the

Owners of Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI MISCELLANEOUS

Section 11.01. Liability of Authority Limited to Revenues. Notwithstanding anything in this Indenture or in the Bonds contained, the Authority shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal or of interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

Section 11.02. Limitation of Rights to Parties and Owners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the City, the Municipal Bond Insurer and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Trustee, the City, the Authority, the Municipal Bond Insurer and the Owners of the Bonds.

Section 11.03. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with industry standards to the extent practicable, and with due regard for the requirements of Section 5.07 and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish such funds and accounts as it deems necessary to perform its obligations hereunder. The Trustee shall deliver a monthly accounting to the Authority of the funds and accounts held hereunder; provided, that the Trustee shall not be obligated to deliver an accounting for any fund or account that has had no activity since the last reporting date and that has a balance of zero.

Section 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee shall, in

lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law, and at the written request of the Authority the Trustee shall deliver a certificate of such destruction to the Authority.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.07. Notices. All written notices to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, confirmed by telephone, (b) after deposit in the United States mail, postage prepaid, upon receipt, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Authority: Lancaster Financing Authority
44933 Fern Avenue
Lancaster, California 93534
Attention: Executive Director

If to the City: City of Lancaster
44933 Fern Avenue
Lancaster, California 93534
Attention: City Manager

If to the Trustee: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust

The City, the Authority and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 11.08. Evidence of Rights of Owners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the

holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Section 11.08.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument 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 Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

Section 11.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are actually known by the Trustee to be owned or held by or for the account of the Authority or the City, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, unless all Bonds are so owned or held, in which case all such Bonds shall be deemed Outstanding and shall not be disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 11.09 if the pledgee shall certify to the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Upon request, the Authority or the City shall specify to the Trustee those Bonds disqualified pursuant to this Section 11.09.

Section 11.10. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest or principal due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04 hereof but without any liability for interest thereon.

Section 11.11. Waiver of Personal Liability. No board member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal or interest on the Bonds or be subject to any personal liability or accountability by reason of the

issuance thereof; but nothing herein contained shall relieve any such board member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 11.12. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture the City, the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City, the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.13. Execution in Several Counterparts. This Indenture 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 Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.14. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the LANCASTER FINANCING AUTHORITY has caused this Indenture to be signed in its name by its officers identified below and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

LANCASTER FINANCING AUTHORITY

By _____
Executive Director

ATTEST:

Secretary

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

EXHIBIT A

FORM OF BONDS

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
LOS ANGELES COUNTY

LANCASTER FINANCING AUTHORITY
Revenue Bond, Series 2019
(Measure M & R Street Improvements Project)

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
_____ %	_____ 1, _____	_____, 2019	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The LANCASTER FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth day of the month preceding such interest payment date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before _____ 15, 20____, in which event it shall bear interest from the Original Issue Date specified above; *provided, however*, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, at the Interest Rate per annum specified above, payable semiannually on _____ 1 and _____ 1 in each year, commencing _____ 1, 20____ (collectively, the "Interest Payment Dates"), calculated on the basis of a 360-day year composed of twelve 30-day months. Principal hereof is payable upon presentation and surrender hereof at the corporate trust office (the "Office") of U.S. Bank National Association, as trustee (the "Trustee"). Interest hereon is payable by check of the Trustee mailed to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each Interest Payment Date (a "Record Date"), or, upon written request filed with the Trustee (at least five days prior) to such Record Date by a Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account in the United States designated by such Registered Owner in such written request.

This Bond is not a debt of the City of Lancaster (the “City”), the County of Los Angeles, the State of California, or any of its political subdivisions (other than the Authority), and neither the City, said County, said State, nor any of its political subdivisions (other than the Authority), is liable hereon nor in any event shall this Bond be payable out of any funds or properties of the Authority other than the Revenues (as defined in the Indenture).

This Bond is one of a duly authorized issue of bonds of the Authority designated as the “Lancaster Financing Authority Revenue Bonds, Series 2019 (Measure M & R Street Improvements Project)” (the “Bonds”), in an aggregate principal amount of _____ (____), all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, commencing with section 6584 of said Code (the “Bond Law”), and pursuant to an Indenture of Trust, dated as of _____ 1, 2019, by and between the Authority and the Trustee (the “Indenture”) and a resolution of the Authority adopted on May 14, 2019, authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Authority to (a) finance the acquisition and construction of certain street improvements (the “Projects”), and (b) pay costs of issuance of the Bonds.

The Bonds are special obligations of the Authority payable from revenues (the “Revenues”), consisting primarily of installment payments (the “Installment Payments”) payable by the City under an installment sale agreement, dated as of _____ 1, 2019, between the Authority, as seller, and the City, as purchaser (the “Installment Sale Agreement”), pursuant to which the Authority will sell the Projects to the City. The payments made by the City to the Authority under the Installment Sale Agreement (the “Installment Payments”) will be sufficient to pay the principal of and interest on the Bonds when due.

The City is legally required under the Installment Sale Agreement to make Installment Payments from Pledged Measure Receipts (i.e. the “Measure R Receipts” and “Measure M Receipts” (being a portion of the revenues of the MTA allocable to the City derived from a retail transaction and use tax imposed by the County and approved by at least two-thirds of the electors of the County on July 24, 2008 and November 8, 2016, respectively)). In addition to the Installment Payments, Pledged Measure Receipts are pledged, as a first and prior lien thereon, to payments with respect to any parity obligations hereafter issued or incurred by the City. The Installment Payments are not subject to abatement.

This Bond and the interest hereon and all other Bonds and the interest thereon (to the extent set forth in the Indenture) are special obligations of the Authority, and are payable from, and are secured by a charge and lien on the Revenues as defined in the Indenture, consisting primarily of lease payments to be made by the Participants. As and to the extent set forth in the Indenture, all

of the Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest on the Bonds.

The rights and obligations of the Authority and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the fixed maturity of any Bonds, or reduce the amount of principal thereof, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each Bond so affected.

The Bonds are subject to redemption at the option of the Authority as a whole, or in part in such order of maturity as the City shall designate (and, if no specific order of redemption is designated by the City, in inverse order of maturity, on any date on or after June 1, ____, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Bonds maturing on _____ 1, ____, are subject to redemption from Mandatory Sinking Fund Payments in part on _____ 1, ____, and on each June 1 thereafter to and including _____ 1, ____, to the extent of the sinking fund payment made by the Authority, derived from Installment Payments by the City, with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium, as follows:

Sinking Account Redemption Date (____ 1)	Principal Amount to be <u>Redeemed or Purchased</u>
--	--

+Maturity

In the event that the Trustee redeems Bonds maturing on _____ 1, ____, in part but not in whole pursuant to the other redemption provisions of the Indenture, the amount of the Bonds maturing on _____ 1, ____, to be redeemed in each subsequent year as described above will be reduced in such order as shall be determined by the City.

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than twenty (20) nor more than sixty (60) days prior to the redemption date to the respective owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither failure to receive such notice nor any defect in the

notice so mailed shall affect the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all Bonds within a maturity are called for redemption) Bond numbers of the Bonds to be redeemed, the maturity or maturities of the Bonds to be redeemed, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed and, if such redemption is an optional redemption, that such redemption is conditioned upon receipt by the Trustee of sufficient funds to insure the payment of the redemption price, including principal and interest. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue and shall require that such Bonds be then surrendered. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. This Bond may be exchanged at the Office of the Trustee for Bonds of the same tenor, aggregate principal amount, interest rate and maturity, of other authorized denominations.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Authority or the Trustee for registration of transfer, exchange, or payment, and any Bond issued 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.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Bond Law and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Bond Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the LANCASTER FINANCING AUTHORITY has caused this Bond to be executed in its name and on its behalf with the manual or facsimile signature of its Chairman and attested to by the facsimile signature of its Secretary, all as of the Original Issue Date specified above.

LANCASTER FINANCING AUTHORITY

By _____
Chairman

ATTEST:

Secretary

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute(s) and appoint(s)

attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a qualified guarantor institution.

Notice: The signature on this assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.”

INSTALLMENT SALE AGREEMENT

Dated as of _____ 1, 2019

by and between the

LANCASTER FINANCING AUTHORITY, as Seller

and the

CITY OF LANCASTER, as Purchaser

Relating to
\$ _____
Lancaster Financing Authority
Revenue Bonds, Series 2019
(Measure M & R Street Improvements Project)

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EXHIBIT A - DESCRIPTION OF THE PROJECTS

EXHIBIT B - SCHEDULE OF INSTALLMENT PAYMENTS

INSTALLMENT SALE AGREEMENT

THIS INSTALLMENT SALE AGREEMENT (this “Installment Sale Agreement”), dated for convenience as of _____ 1, 2019, by and between the LANCASTER FINANCING AUTHORITY, a joint exercise of powers entity organized and existing under and by virtue of the laws of the State of California, as Seller (the “Authority”), and CITY OF LANCASTER, a charter city organized and existing under and by virtue of the laws of the State of California, as Purchaser (the “City”);

W I T N E S S E T H :

WHEREAS, the City plans to finance the acquisition and construction of certain street improvements eligible for Los Angeles County Metropolitan Transportation Authority (“MTA”) Measure R and Measure M funding as described herein (the “Projects”);

WHEREAS, for the purpose of providing funds to finance the Projects, the Authority has determined to issue its Revenue Bonds, Series 2019 (Measure M & R Street Improvements Project), in the aggregate principal amount of \$_____ (the “Bonds”);

WHEREAS, in order to provide for the repayment of the Bonds, the Authority will sell the improvements relating to the Projects to the City pursuant to this Installment Sale Agreement, under which the City will agree to make installment payments (the “Installment Payments”) to the Authority payable from “Measure M Receipts” and “Measure R Receipts” (being a portion of the revenues of the MTA allocable to the City derived from a retail transactions and use tax imposed by the County and approved by at least two-thirds of the electors of the County on July 24, 2008 and November 8, 2016, respectively), which, in the aggregate, will be calculated to be sufficient, in time and amount, to enable the Authority to pay the principal of and interest and premium (if any) on the Bonds when due and payable; and WHEREAS, the Authority and the City have duly authorized the execution and delivery of this Installment Sale Agreement;

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, and for other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Installment Sale Agreement shall have the respective meanings specified in Section 1.01 of the Indenture.

Section 1.2. Exhibits. The following exhibits are attached to, and by this reference made a part of, this Installment Sale Agreement:

ARTICLE II
REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of Authority. The Authority makes the following covenants, representations and warranties as the basis for its undertakings herein contained:

(a) *Due Organization and Existence.* The Authority is a joint exercise of powers entity, organized and existing under and by virtue of the laws of the State; has power to enter into this Installment Sale Agreement and the Indenture; is possessed of full power to own and hold, improve and equip real and personal property, and to lease and lease back the same; and has duly authorized the execution and delivery of each of the aforesaid agreements and such agreements constitute the legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms.

(b) *Due Execution.* The Authority Representative executing this Installment Sale Agreement and the Indenture is fully authorized to execute the same pursuant to official action taken by the governing body of the Authority.

(c) *Valid, Binding and Enforceable Obligations.* This Installment Sale Agreement and the Indenture have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms.

(d) *No Conflicts.* The execution and delivery of this Installment Sale Agreement and the Indenture, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Authority is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement and the Indenture or the financial condition, assets, properties or operations of the Authority.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Installment Sale Agreement and the Indenture, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to

the knowledge of the Authority after reasonable investigation, threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Installment Sale Agreement or the Indenture, or upon the financial condition, assets, properties or operations of the Authority, and the Authority is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement or the Indenture or the financial conditions, assets, properties or operations of the Authority.

Section 2.2. Representations, Covenants and Warranties of the City. The City makes the following covenants, representations and warranties to the Authority as of the date of the execution and delivery of this Installment Sale Agreement:

(a) *Due Organization and Existence.* The City is a charter city organized and existing under the Constitution and the laws of the State, has full legal right, power and authority under the laws of the State to enter into this Installment Sale Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the City has duly authorized the execution and delivery of this Installment Sale Agreement.

(b) *Due Execution.* The City Representative executing this Installment Sale Agreement has been fully authorized to execute the same pursuant to a resolution duly adopted by the City Council of the City.

(c) *Valid, Binding and Enforceable Obligations.* This Installment Sale Agreement has been duly authorized, executed and delivered by the City and constitutes the legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.

(d) *No Conflicts.* The execution and delivery of this Installment Sale Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement, or the financial condition, assets, properties or operations of the City.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Installment Sale Agreement, or the

consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the City after reasonable investigation, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Installment Sale Agreement, or upon the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement, or the financial conditions, assets, properties or operations of the City.

ARTICLE III ISSUANCE OF THE BONDS; ACQUISITION AND CONSTRUCTION OF THE 2019 PROJECTS

Section 3.1. The Bonds. The Authority has authorized the issuance of the Bonds pursuant to the Indenture in the aggregate principal amount of _____dollars (\$_____). The Authority agrees that the proceeds of sale of the Bonds shall be paid to the Trustee on the Closing Date for deposit and application pursuant to the terms and conditions of the Indenture, which terms and conditions authorize the Authority to draw upon specified proceeds of the Bonds to finance the Projects. The City hereby approves the Indenture and the assignment to the Trustee of the rights of the Authority assigned or purported to be assigned thereunder.

Section 3.2. Acquisition and Construction of the Projects. The Authority hereby agrees with due diligence to supervise and provide for, or cause to be supervised and provided, for the acquisition and construction of the Projects in accordance with purchase orders, construction contracts and other documents relating thereto and approved by the City pursuant to all applicable requirements of law. Direct payment of the Project Costs shall be made from amounts on deposit in the Project Fund, pursuant to Section 3.04 of the Indenture. All contracts for, and all work relating to, the acquisition and construction of the Projects shall be subject to all applicable provisions of law relating to the acquisition and construction of public works by the City and to all applicable requirements of the Measure R Ordinance and Measure M Ordinance. The failure to complete all components of the Projects by the estimated completion date thereof shall not constitute an Event of Default hereunder or a ground for termination hereof, nor shall such failure result in the diminution, abatement or extinguishment of the obligations of the City hereunder to pay the Installment Payments.

The City shall have the right from time to time, in its sole discretion, to determine which components of the Projects are to be financed, so long as each such component is listed in Exhibit A attached hereto.

Upon the completion of the acquisition and construction of the Projects, but in any event not later than thirty (30) days following such completion, an Authority Representative or a City

Representative shall execute and deliver to the Trustee a Written Certificate which (a) states that the acquisition and construction of the Projects have been substantially completed, and (b) identifies (i) the amounts, if any, to remain on deposit in the Project Fund for payment of Project Costs thereafter intended to be requisitioned by the City and (ii) the amounts to be transferred to the Bond Fund. Upon the filing with the Trustee of the final Written Requisition for payment of Project Costs, the Authority shall direct the Trustee to close the Project Fund.

Section 3.3. Grant of Easements. The City hereby grants to the Authority all necessary easements, rights of way and rights of access in and to all real property or interests therein now or hereafter acquired and owned by the City, as may be necessary or convenient to enable the Authority to acquire, construct and install the Projects thereon or thereabouts. The City covenants that it will execute, deliver and record any and all additional documents as may be required to be executed, delivered and recorded to establish such easements, rights of way and rights of access.

Section 3.4. Appointment of City as Agent of Authority. The Authority hereby appoints the City as its agent to carry out all phases of the acquisition and construction of the Projects pursuant to and in accordance with the provisions hereof. The City hereby accepts such appointment and assumes all rights, liabilities, duties and responsibilities of the Authority regarding the acquisition and construction of the Projects. The City, as agent of the Authority hereunder, shall enter into, administer and enforce all purchase orders or other contracts relating to the acquisition and construction of the Projects. The City shall submit Written Requisitions of the City to the Trustee from time to time pursuant to and in accordance with the provisions of Section 3.04 of the Indenture for payment, or for reimbursement to the City for payment, of all Project Costs. All contracts for, and all work relating to, the acquisition and construction of the Projects shall be subject to all applicable provisions of law relating to the acquisition, construction, improvement, and equipping of capital projects like the Projects and property by joint powers authorities and by municipal entities within the State.

ARTICLE IV
SALE OF IMPROVEMENTS; TERM OF THE INSTALLMENT SALE
AGREEMENT; INSTALLMENT PAYMENTS

Section 4.1. Sale of Improvements. The Authority hereby sells the improvements relating to the Projects (the "Improvements") to the City, and the City hereby purchases the Improvements from the Authority, upon the terms and conditions set forth in this Installment Sale Agreement.

Section 4.2. Term of Sale. This Installment Sale Agreement shall take effect on the date hereof, and shall end on the earlier of _____ 1, 20____, or such earlier date on which the Bonds shall no longer be Outstanding under the Indenture.

Section 4.3. Installment Payments.

(a) *Obligation to Pay.* In consideration of the sale of the Improvements by the Authority hereunder, the City agrees to pay to the Authority, its successors and assigns, as the purchase price for the Improvements during each Fiscal Year, from Measure M Receipts and Measure M Receipts, the Installment Payments (denominated into components of principal and

interest) in the respective principal amounts specified in Exhibit B hereto, plus interest commencing on the Closing Date, to be due and payable on the respective Installment Payment Dates commencing _____ 1, 20____. The Installment Payments are equal to the debt service payments on the Bonds. Any amount held in the Bond Fund, the Interest Account or, the Principal Account or the Sinking Account on any Installment Payment Date, derived from any source of funds of the City, shall be credited towards the Installment Payment then due and payable by the City.

(b) *Special Obligation; Absolute and Unconditional Obligations; No Abatement.* The City's obligation to pay the Installment Payments shall be a special obligation limited solely to Measure M Receipts and Measure R Receipts. Under no circumstances shall the City be required to advance any moneys derived from any source of income other than the Measure M Receipts and Measure R Receipts and other sources specifically identified herein for the payment of the Installment Payments, nor shall any other funds or property of the City be liable for the payment of the Installment Payments. However, the obligation of the City to pay the Installment Payments from Measure M Receipts and Measure R Receipts and to perform and observe the other agreements contained herein is absolute and unconditional and is not subject to: (a) any reduction or abatement whatsoever due to the destruction of or damage to the Improvements or any portion thereof, or taking of the Improvements or any portion thereof in eminent domain proceedings; or (b) any defense or any right of set-off, counterclaim or recoupment arising out of any breach by the Authority or the Trustee of any obligation to the City or otherwise with respect to the Projects, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the City by the Authority or the Trustee. Until all of the Installment Payments and other amounts coming due and payable hereunder have been fully paid or prepaid, the City will not suspend or discontinue payment of any Installment Payments or such other amount and will perform and observe all other agreements contained in this Installment Sale Agreement.

(c) *Reduction Upon Partial Prepayment.* In the event the City prepays less than all of the remaining principal components of the Installment Payments pursuant to Section 9.2 hereof, the amount of such prepayment shall be applied to reduce the principal component of the subsequent remaining Installment Payments and the interest component of each subsequent remaining Installment Payment shall be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Bonds redeemed as a result of such prepayment.

(d) *Rate on Overdue Payments.* In the event the City should fail to make any of the payments required in this Section 4.3 so that there are insufficient moneys on hand in the Interest Account or the Principal Account or the Sinking Account to pay any Installment Payment in full on an Interest Payment Date, the Installment Payment in default shall continue as an obligation of the City until the amount in default shall have been fully paid and the City agrees to pay the same with interest thereon, to the extent permitted by law, from the date thereof at the rate of interest payable on the Bonds.

(e) *Assignment.* The City understands and agrees that all Installment Payments have previously been assigned by the Authority to the Trustee in trust, pursuant to Section 5.01 of the Indenture, for the benefit of the Owners of the Bonds, and the City hereby assents to such

assignment. The Authority hereby directs the City, and the City hereby agrees, to pay all of the Installment Payments to the Trustee at its Office.

Section 4.4. Pledge and Application of Measure M Receipts and Measure R Receipts.

(a) *Pledge of Measure M Receipts and Measure R Receipts.* The City hereby agrees that the payment of the Installment Payments shall be secured by a pledge, charge and first and prior lien upon Measure M Receipts and Measure R Receipts, and Measure M Receipts and Measure R Receipts sufficient to pay the Installment Payments as they become due and payable are hereby pledged, charged, assigned, transferred and set over by the City to the Authority and its assigns for the purpose of securing payment of the Installment Payments. The Measure M Receipts and Measure R Receipts shall constitute a trust fund for the security and payment of the Installment Payments.

(b) *Deposit to and Transfer from Measure M Receipts Fund and Measure R Receipts Fund.* All of the Measure M Receipts shall be deposited by the City immediately upon receipt in the Measure M Receipts Fund, which fund the City agrees and covenants to establish and maintain. All of the Measure R Receipts shall be deposited by the City immediately upon receipt in the Measure R Receipts Fund, which fund the City agrees and covenants to establish and maintain.

On or before each Installment Payment Date, the City shall withdraw from the Measure M Receipts Fund and Measure R Receipts Fund and transfer to the Trustee, for deposit into the Bond Fund, an amount which, together with the balance then on deposit in the Bond Fund (other than amounts resulting from the prepayment of the Installment Payments pursuant to Article IX and other than amounts required for payment of the principal or interest with respect to any Bonds which have matured or been called for redemption but which have not been presented for payment), is equal to the aggregate amount of the Installment Payment coming due and payable on the next succeeding Interest Payment Date.

(c) *Release from Lien.* Following the transfer described in paragraph (b) of this Section 4.4 with respect to the _____ 1 Interest Payment Date, Measure M Receipts and Measure R Receipts in excess of amounts required for the payment of Installment Payments and any Parity Obligations in that Bond Year shall be released from the lien of this Installment Sale Agreement and shall be available for any lawful purpose of the City.

Section 4.5. Limitations on Future Obligations Secured by Measure M Receipts and Measure R Receipts.

(a) *No Obligations Superior to Installment Payments.* In order to protect further the availability of the Measure M Receipts and Measure R Receipts and the security for the Installment Payments and any Parity Obligations, the City hereby agrees that the City shall not, so long as any Installment Payments or any Parity Obligations are outstanding, issue or incur any obligations payable from Measure M Receipts and Measure R Receipts superior to the Installment Payments or any Parity Obligations.

(b) *Parity Obligations.* Additional obligations may be issued on a parity with the Installment Sale Agreement and any existing Parity Obligations subject to the following

specific conditions which are hereby made conditions precedent to the issuance and delivery of such Parity Obligations, except that the City need not comply with subparagraph (ii) if the proposed Parity Obligations are incurred to prepay or post a security deposit for the payment of the Installment Sale Agreement or Parity Obligations:

(i) The City shall be in compliance with all covenants set forth in the Installment Sale Agreement and with all covenants set forth in the agreements relating to then existing Parity Obligations.

(ii) The Measure M Receipts and Measure R Receipts, as shown by the books of the City for the latest Fiscal Year or any more recent twelve (12) month period selected by the City, as shown by the books of the City, shall at least equal one hundred fifty percent (150%) of Maximum Annual Debt Service immediately subsequent to the issuance of such Parity Obligations.

(iii) The instrument providing for the issuance of such Parity Obligations shall provide that:

(A) The proceeds of such Parity Obligations shall be applied to the acquisition, construction, improvement, financing or refinancing of additional Projects that are eligible both as a Measure M Project and a Measure R Project in accordance with MTA Guidelines, or for the purpose of refunding any Parity Obligations in whole or in part, including all costs (including costs of issuing such Parity Obligations and including capitalized interest on such Parity Obligations during any period which the City deems necessary or advisable) relating thereto;

(B) Interest on such Parity Obligations shall be payable on each Installment Payment Date in each year of the term of such Parity Obligations except the first year, during which year interest may be payable on any Installment Payment Date; and

(C) The principal of such Parity Obligations shall be payable on an Installment Payment Date preceding _____ 1 in any year in which principal is payable.

(c) *Subordinate Obligations.* The City further covenants that the City shall not issue or incur any Subordinate Obligations unless Measure M Receipts and Measure R Receipts, calculated in the same manner as described in paragraph (b) above, are equal to at least 100% of Maximum Annual Debt Service and maximum annual debt service on all Subordinate Obligations outstanding immediately subsequent to the incurring of such Subordinate Obligations.

Section 4.6. Additional Payments. In addition to the Installment Payments, the City shall pay, from Measure M Receipts and Measure R Receipts, when due all costs and expenses incurred by the Authority to comply with the provisions of the Indenture and this Installment Sale Agreement, including, without limitation all Costs of Issuance (to the extent not paid from amounts on deposit in the Costs of Issuance Fund), compensation due to the Trustee for its fees, costs and expenses incurred under the Indenture, compensation due to the Authority for its fees, costs and expenses incurred under the Indenture, all amounts owed to the Municipal Bond Insurer in connection with the Reserve Policy and all costs and expenses of attorneys, auditors, engineers and accountants.

Section 4.7. Payment of Rebatable Amounts. The City agrees to furnish all information to, and cooperate fully with, the Authority and its officers, employees, agents and attorneys, in order to assure compliance with the provisions of Section 6.08(b) of the Indenture. In the event that the Authority shall determine, pursuant to Section 6.08(b) of the Indenture, that any amounts are due and payable to the United States of America thereunder and that neither the Authority nor the Trustee has on deposit an amount of available moneys (excluding moneys on deposit in the funds and accounts established for the payment of the principal of or interest or redemption premium, if any, on the Bonds) to make such payment, the Authority shall promptly notify the City of such fact. Upon receipt of any such notice, the City shall promptly pay to the Trustee from any source of legally available funds, the amounts determined by the Authority to be due and payable to the United States of America under such Section 6.08(b).

ARTICLE V OTHER MATTERS

Section 5.1. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Installment Sale Agreement, failure of the City to comply with the Continuing Disclosure Agreement shall not constitute an Event of Default hereunder; *provided, however*, that any Participating Underwriter or any Owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations under this Section 5.1, including seeking mandate or specific performance by court order.

Section 5.2. Tax Covenants.

(a) *Private Activity Bond Limitation.* The City shall assure that proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) *Federal Guarantee Prohibition.* The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

(c) *Rebate Requirement.* The City shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

(d) *No Arbitrage.* The City shall not take or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

Section 5.3. Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest with respect to the Bonds from the gross income of the Owners

of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

Section 5.4. Maintenance of Revenues. The City will use its best efforts to comply with all provisions of law, any regulations, policies and guidelines, relating to the Measure M Receipts and the Measure R Receipts, including but not limited to the Measure M Ordinance, the Measure R Ordinance, and any rules, policies or other items promulgated by the MTA in connection therewith. Such items include but are not limited to compliance with any maintenance of effort requirements, matching funds, filing of expenditure plans, expenditure of additional local funds as may be applicable to the Measure R Project and/or the Measure M Project. The City agrees to take all reasonable actions required in order to maintain the City's ability to receive Measure M Receipts and Measure R Receipts and apply the same as contemplated herein.

Section 5.5. Measure M Project and Measure R Project. The City hereby covenants that all of the Projects are, as contemplated currently in Exhibit A hereto, and shall, as may be amended pursuant to the provisions hereof be, eligible to qualify for funding under both the Measure R Ordinance and the Measure M Ordinance even if all of the parts of the Projects only request funding from the local return subfund under the Measure R Ordinance or the Measure M Ordinance.

ARTICLE VI DISCLAIMER OF WARRANTIES; ACCESS

Section 6.1. Disclaimer of Warranties. The Authority and the Trustee make no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the City of the Projects, or any other representation or warranty with respect to the Projects. In no event shall the Authority or the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising out of this Installment Sale Agreement or the Indenture for the existence, furnishing, functioning or City's use of the Projects.

ARTICLE VII ASSIGNMENT AMENDMENT

Section 7.1. Assignment by the City. The obligations of the City under this Installment Sale Agreement may not be assigned by the City and any such assignment made in contravention hereof shall be void.

Section 7.2. Amendment of Installment Sale Agreement. The City and the Authority shall have the right to modify or amend this Installment Sale Agreement without the consent of any of the Owners or any of the owners of Parity Obligations, but only if such amendment or modification does not cause interest represented by the Bonds to be includable in gross income for federal income tax purposes in the opinion of Bond Counsel, and only if such amendment or modification does not materially adversely affect the interests of the Municipal Bond Insurer, the Owners of the Bonds or the owners of any Parity Obligations in the opinion of Bond Counsel, and only if such amendment or modification is for any one or more of the following purposes:

- (a) to provide for the issuance of Parity Obligations pursuant to Section 4.5;

(b) to add to the covenants and agreements of the City contained in this Installment Sale Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the City;

(c) to cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, or in any other respect whatsoever as the Authority and the City may deem necessary or desirable; or

(d) to amend any provision thereof for the purpose of complying with the applicable requirements of the Code.

ARTICLE VIII EVENTS OF DEFAULT

Section 8.1. Events of Default Defined. The following events shall be Events of Default hereunder:

(a) Failure by the City to pay any Installment Payment when and as the same become due and payable hereunder.

(b) Failure by the City to pay any Additional Payment when due and payable hereunder, and the continuation of such failure for a period of ten (10) days.

(c) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in the preceding clauses (a) or (b), for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority or the Trustee; *provided, however*, that if the City shall notify the Authority and the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default hereunder if the City shall commence to cure such failure within such thirty (30) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

(e) The occurrence and continuation of any payment event of default under and as defined in the instruments authorizing the issuance of any Parity Obligations.

Section 8.2. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Trustee as assignee of the Authority shall have the right, at its option and without any further demand or notice, but subject in all respects to the provisions of Article VII of the Indenture, to:

(a) declare all principal components of the unpaid Installment Payments, together with accrued interest thereon at the net effective rate of interest per annum then borne by the Outstanding Bonds from the immediately preceding Interest Payment Date on which payment was made, to be immediately due and payable, whereupon the same shall immediately become due and payable;

(b) take whatever action at law or in equity may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this Installment Sale Agreement, or enforce performance and observance of any obligation, agreement or covenant of the City under this Installment Sale Agreement; and

(c) as a matter of right, in connection with the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Owners hereunder, cause the appointment of a receiver or receivers of the Measure M Receipts, Measure R Receipts and other amounts pledged hereunder, with such powers as the court making such appointment shall confer.

The provisions of the preceding clause (a), however, are subject to the condition that if, at any time after the principal components of the unpaid Installment Payments shall have been so declared due and payable pursuant to the preceding clause (a), and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the City shall deposit with the Trustee a sum sufficient to pay all principal components of the Installment Payments coming due prior to such declaration and all matured interest components (if any) of the Installment Payments, with interest on such overdue principal and interest components calculated at the net effective rate of interest per annum then borne by the Outstanding Bonds, and the reasonable expenses of the Trustee (including any fees and expenses of its attorneys), and any and all other defaults known to the Trustee (other than in the payment of the principal and interest components of the Installment Payments due and payable solely by reason of such declaration) shall have been made good, then, and in every such case, with the written consent of the Trustee, shall rescind and annul such declaration and its consequences. However, 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. As provided in Section 8.6, the Trustee shall be required to exercise the remedies provided herein in accordance with the Indenture.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Installment Sale Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Installment Sale Agreement shall default under any of the provisions hereof and the non-defaulting party, the Trustee or the Owner of any Bonds should employ attorneys or incur other

expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party, the Trustee or such Owner, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred.

Section 8.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Installment Sale Agreement shall be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 8.6. Trustee and Owners to Exercise Rights. Such rights and remedies as are given to the Authority under this Article VIII have been assigned by the Authority to the Trustee under the Indenture, to which assignment the City hereby consents. Such rights and remedies shall be exercised by the Trustee and the Owners of the Bonds as provided in the Indenture.

Section 8.7. Rights of the Owners of Parity Obligations. Notwithstanding anything in this Article VIII to the contrary, it is hereby acknowledged and agreed that the rights of the Trustee and the Owners hereunder in and to the Measure M Receipts shall be exercised on a parity and proportionate basis with the rights of the owners of any Parity Obligations and any fiduciary acting for the benefit of such owners. The provisions of this Article VIII, and the provisions of any instruments authorizing the issuance of any Parity Obligations, shall be construed in accordance with the foregoing sentence.

ARTICLE IX PREPAYMENT OF INSTALLMENT PAYMENTS

Section 9.1. Security Deposit. Notwithstanding any other provision of this Installment Sale Agreement, the City may on any date secure the payment of Installment Payments in whole or in part by irrevocably depositing with the Trustee or any other fiduciary an amount of cash which, together with amounts on deposit in the Bond Fund and the accounts therein, is either (a) sufficient to pay all such Installment Payments, including the principal and interest components thereof, in accordance with the Installment Payment schedule set forth in Exhibit A, or (b) invested in whole or in part in Federal Securities in such amount as will, in the written opinion of an Independent Accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Installment Payments when due pursuant to Section 4.3(a) or when due on any optional prepayment date pursuant to Section 9.2, as the City shall instruct at the time of said deposit. In the event of a security deposit pursuant to this Section 9.1 with respect to all of the Installment Payments, all obligations of the City under this Installment Sale Agreement, and all security provided by this Installment Sale Agreement for said obligations, shall cease and terminate, excepting only the obligation of the City to make, or cause to be made, all of such Installment Payments from such security deposit, and the obligation of the City to compensate and indemnify the Trustee pursuant to Sections 4.6 and provisions of the Indenture requiring indemnification of the Trustee. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Installment Payments in accordance with the provisions of this Installment Sale Agreement.

Section 9.2. Optional Prepayment. The City may exercise its option to prepay the principal components of the Installment Payments in whole, or in part in integral multiples of \$5,000, on any date on or after _____ 1, ____, by paying a prepayment price equal to the aggregate principal components of the Installment Payments to be prepaid, together with the interest component of the Installment Payment required to be paid on or accrued to such date. Such prepayment price shall be deposited by the Trustee in the Redemption Fund or in another Trustee-held fund to be applied to the redemption of Bonds pursuant to Section 4.01 of the Indenture. The City shall give the Trustee written notice of its intention to exercise its option not less than thirty (30) days in advance of the date of exercise.

Section 9.3. Credit for Amounts on Deposit. In the event of prepayment of the principal components of the Installment Payments in full under this Article IX, such that the Indenture shall be discharged by its terms as a result of such prepayment, and upon payment in full of all Additional Payments and other amounts then due and payable hereunder, all available amounts then on deposit in the funds and accounts established under the Indenture shall be credited towards the amounts then required to be so prepaid.

ARTICLE X MISCELLANEOUS

Section 10.1. Notices. All written notices to be given under this Installment Sale Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, confirmed by telephone, (b) upon receipt after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt.

If to the Authority:	Lancaster Financing Authority 44933 Fern Avenue Lancaster, California 93534 Attention: Executive Director
If to the City:	City of Lancaster 44933 Fern Avenue Lancaster, California 93534 Attention: City Manager
If to the Trustee:	U.S. Bank National Association 633 West Fifth Street, 24 th Floor Los Angeles, California 90071 Attention: Global Corporate Trust

The Authority, the City or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

Section 10.2. [Reserve Policy and Municipal Bond Insurer].

(a) The City agrees to comply with all provisions of Section 5.05 of the Indenture to the extent applicable to it.

Section 10.3. Binding Effect. This Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Authority and the City and their respective successors and assigns.

Section 10.4. Severability. In the event any provision of this Installment Sale Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.5. Net Contract. This Installment Sale Agreement shall be deemed and construed to be a “net contract” and the City hereby agrees that the Installment Payments shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

Section 10.6. Further Assurances and Corrective Instruments. The Authority and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Projects hereby leased or intended so to be or for carrying out the expressed intention of this Installment Sale Agreement.

Section 10.7. Execution in Counterparts. This Installment Sale Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.8. Applicable Law. This Installment Sale Agreement shall be governed by and construed in accordance with the laws of the State.

Section 10.9. Authorized Representative. Whenever under the provisions of this Installment Sale Agreement the approval of the Authority or the City is required, or the Authority or the City is required to take some action at the request of the other, such approval or such request shall be given for the Authority by an Authorized Representative of the Authority and for the City by an Authorized Representative of the City, and any party hereto shall be authorized to rely upon any such approval or request.

Section 10.10. Waiver of Personal Liability. All liabilities under this Installment Sale Agreement on the part of the City are solely liabilities of the City and the Authority hereby releases each and every board member, director, officer, employee and agent of the City of and from any personal or individual liability under this Installment Sale Agreement. No board member, director, officer, employee or agent of the City shall at any time or under any circumstances be individually or personally liable under this Installment Sale Agreement for anything done or omitted to be done by the City hereunder.

Section 10.11. Limitation of Rights to Parties and Owners. Nothing in this Installment Sale Agreement expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the City, the Municipal Bond Insurer and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Installment Sale Agreement or

any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the City, the Municipal Bond Insurer and the Owners of the Bonds. The Trustee shall be considered a third party beneficiary hereof.

Section 10.12. Captions. The captions or headings in this Installment Sale Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Installment Sale Agreement.

IN WITNESS WHEREOF, the Authority has caused this Installment Sale Agreement to be executed in its name by its duly authorized officers; and the City has caused this Installment Sale Agreement to be executed in its name by its duly authorized officers, as of the date first above written.

LANCASTER FINANCING AUTHORITY, as
Seller

By _____
Chairman

ATTEST:

Secretary

CITY OF LANCASTER, as Purchaser

By _____
Mayor

ATTEST:

City Clerk

EXHIBIT A
DESCRIPTION OF THE PROJECTS

EXHIBIT B
SCHEDULE OF INSTALLMENT PAYMENTS

§ _____
**LANCASTER FINANCING AUTHORITY
REVENUE BONDS, SERIES 2019
(MEASURE M & R STREET IMPROVEMENTS PROJECT)**

BOND PURCHASE CONTRACT

_____, 2019

Lancaster Financing Authority
44933 Fern Avenue
Lancaster, California 93534

City of Lancaster
44933 Fern Avenue
Lancaster, California 93534

Ladies and Gentlemen:

The undersigned Piper Jaffray & Co. (the “Underwriter”) offers to enter into this Bond Purchase Contract (this “Purchase Contract”) with the Lancaster Financing Authority (the “Authority”) and the City of Lancaster, California (the “City”), which, upon the acceptance by the Authority and the City, will be binding upon the Authority, the City and the Underwriter. This offer is made subject to acceptance by the Authority and by the City by the execution of this Purchase Contract and delivery of the same to the Underwriter prior to 11:59 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to the acceptance hereof by the Authority and the City. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture (defined herein).

Section 1. Purchase and Sale. Upon the terms and conditions and on the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the Lancaster Financing Authority Revenue Bonds, Series 2019 (Measure M & R Street Improvements Project) (the “Bonds”) in the aggregate principal amount of \$_____. The Bonds shall be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on ___ 1 and ___ 1 in each year, commencing ___ 1, 20___ (each an “Interest Payment Date”) and will bear interest at the rates and on the dates as set forth in Exhibit A hereto. The purchase price for the Bonds shall be \$_____ (which represents the principal amount of the Bonds in the amount of \$_____, [plus][less] a net [premium][discount] in the amount of \$_____, less an Underwriter’s discount of \$_____).

The City and Authority acknowledge and agree that: (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm’s-length commercial transaction among the City, the Authority and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as a municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary; (iii) the Underwriter has not assumed

an advisory or fiduciary responsibility in favor of the City or the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or the Authority on other matters); (iv) the City and the Authority have consulted their own legal, financial, municipal and other advisors to the extent they have deemed appropriate; and (v) the Underwriter has provided the Authority and the City with certain disclosures required under the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

Section 2. The Bonds and Related Documents. The Bonds shall be issued pursuant to an Indenture of Trust, dated as of ____ 1, 2019 (the “Indenture”), by and between the Authority and U.S. Bank National Association, Los Angeles, California, as trustee (the “Trustee”). The Bonds are payable from the Revenues pledged under the Indenture. The Revenues consist primarily of installment payments (the “Installment Payments”) to be made by the City to the Authority and investment earnings derived from amounts held in certain funds and accounts established pursuant to the Indenture (collectively with the Installment Payments, the “Revenues”). The Bonds are being issued to provide funds to (i) finance the acquisition and construction of certain street improvements eligible for Los Angeles County Metropolitan Transportation Authority (“MTA”) Measure R and Measure M funding (collectively, the “Projects”), (ii) fund the Reserve Account at the Reserve Requirement, and (iii) pay costs of issuance of the Bonds. The Authority will sell the Improvements relating to the Projects to the City pursuant to an Installment Sale Agreement, dated as of ____ 1, 2019 (the “Installment Sale Agreement”), by and between the Authority and the City. The Bonds shall be as described in the Indenture and the Official Statement dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the “Official Statement”).

The City will undertake, pursuant to the provisions of a Continuing Disclosure Agreement, to be dated the date of the Closing (the “ Disclosure Agreement”), by and between the City and ____, as dissemination agent, to provide certain annual information and notices of the occurrence of certain enumerated events. A description of the undertaking is set forth in the Preliminary Official Statement (as defined below) and will also be set forth in the Official Statement.

The Indenture, the Installment Sale Agreement and this Purchase Contract are sometimes collectively referred to herein as the “Authority Legal Documents.”

Section 3. Public Offering and Establishment of Issue Price. The Underwriter agrees to make a *bona fide* initial public offering of all the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as they deem necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing (as defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

The Authority will treat the first price at which 10% of each maturity of the Bonds (the “10% test”), identified as “10% Test Used” in Exhibit A, is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Authority when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party;
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the

value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

- (iv) “sale date” means the date of execution of this Purchase Contract by all parties.

Section 4. The Official Statement. By their acceptance of this Purchase Contract, the Authority and the City ratify, confirm and approve of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds, dated ____, 2019 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “Preliminary Official Statement”) that authorized officers of the City and the Authority deemed “final” as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”) except for certain omissions permitted to be omitted therefrom by Rule 15c2-12. The Authority and the City hereby agree to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the Authority, the City and the Underwriter (the “Official Statement”)) in such quantity as the Underwriter shall reasonably request to comply with Rule 15c2-12(b)(4) and the rules of the MSRB.

Section 5. Closing. At [8:30] a.m., California time, on ____, 2019, or at such other time or date as the Authority, the City and the Underwriter mutually agree upon, the Authority shall deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered through the facilities of The Depository Trust Company, New York New York (“DTC”), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the Authority and the City shall deliver the documents hereinafter mentioned at the offices of Nixon Peabody LLP, Los Angeles, California (“Bond Counsel”) or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents referenced herein, is called the “Closing.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of \$5,000 and any integral multiple thereof, and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging. The Authority and the City acknowledge that the services of DTC will be used initially by the Underwriter to permit the issuance of the Bonds in book-entry form, and agree to cooperate fully with the Underwriter in employing such services.

Section 6. Representations, Warranties and Covenants of the Authority. The Authority represents, warrants and covenants to the Underwriter and the City that:

(a) The Authority is and will be at the date of Closing a joint exercise of powers authority organized and existing under the laws of the State of California (the “State”), including Section 6500 *et seq.* of the Government Code of the State of California (the “JPA Act”) with all necessary power and authority to enter into and perform its duties under the Authority Documents.

- (b) The Authority has complied with all filing requirements of the JPA Act.

(c) By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained, in the Authority Documents. When executed and delivered, each Authority Document will constitute the legal, valid and binding obligation of the Authority enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally.

(d) Prior to the date hereof, the Authority has provided to the Underwriter for its review the Preliminary Official Statement that an authorized officer of the Authority has deemed final for purposes of Rule 15c2-12, has approved the distribution of the Preliminary Official Statement and the Official Statement and has duly authorized the execution and delivery of the Official Statement (including in electronic form). The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading.

(e) The execution and delivery by the Authority of the Authority Documents and the approval and execution by the Authority of the Official Statement and compliance with the provisions on the Authority's part contained in the Authority Documents, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the Authority to carry out its obligations under the Authority Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the Authority Documents.

(f) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(g) The Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents.

(h) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending with respect to which the Authority has been served or, to the best knowledge of the officers of the Authority, threatened (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices, (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Authority Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the powers of the Authority to enter into the Authority Documents or (iii) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iii) of this sentence.

(i) Any certificate signed by any officer of the Authority authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Authority to the Underwriter and the City as to the statements made therein but not of the person signing such certificate.

(j) The Authority will apply the proceeds of the Bonds in accordance with the Indenture.

Section 7. Representations, Warranties and Covenants of the City. The City represents, warrants and covenants to the Underwriter and the Authority that:

(a) The City is and will be at the date of Closing a municipal corporation and charter city duly organized and existing pursuant to and under the Constitution and laws of the State and has all necessary power and authority to enter into and perform its duties under the Disclosure Agreement, Installment Sale Agreement and this Purchase Contract (collectively, the “City Documents” and, together with the Authority Documents, the “Legal Documents”) and has by official action duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents.

(b) By official action of the City prior to or concurrently with the acceptance hereof, the City has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained, in the City Documents. When executed and delivered, each City Document will constitute the legally valid and binding obligation of the City enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally.

(c) The Preliminary Official Statement heretofore delivered to the Underwriter is hereby deemed final by the City as of its date and as of the date hereof, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(i) of Rule 15c2-12. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in the light of the

circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in the light of the circumstances under which they were made, not misleading.

(d) The execution and delivery by the City of the City Documents and the approval by the City of the Official Statement and compliance with the provisions on the City's part contained in the City Documents, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the City to carry out its obligations under the City Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

(e) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(f) The City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents.

(g) The audited financial statements of the City appended to the Official Statement for the year ended June 30, 2018, and any unaudited financial information presented in the body thereof, fairly present the financial position and results of the City as of the dates and for the periods set forth. Except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the City or in its operations since June 30, 2018 and, except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(h) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the knowledge of the officers of the City, threatened (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the power of the City to enter into

the City Documents; (iii) which may result in any material adverse change to the financial condition of the City or to its ability to pay the Installment Payments when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iv) of this sentence.

(i) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Agreement, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Except as otherwise disclosed in the Preliminary Official Statement, the City has not failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports or notices of enumerated events in the past five years.

(j) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter and the Authority as to the statements made therein but not of the person signing such certificate.

(k) As of the date hereof, the City does not have any material obligations secured by the Measure M Receipts or the Measure R Receipts, except as disclosed in the Preliminary Official Statement and the Official Statement.

Section 8. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the Authority and the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the date of the Closing shall be subject, at the option of the Underwriter, to the accuracy in all respects of the statements of the officers and other officials of the Authority and of the City, as well as authorized representatives of Bond Counsel, Disclosure Counsel (as defined herein) and the Trustee made in any Bonds or other documents furnished pursuant to the provisions hereof; to the performance by the Authority and the City of their obligations to be performed hereunder at or prior to the date of the Closing; and to the following additional conditions:

(a) The representations, warranties and covenants of the City and the Authority contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Legal Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Bond Counsel, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) At the time of the Closing, no default shall have occurred or be existing under the Authority Documents, the City Documents, or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would adversely impact the ability of the City to make the Installment Payments;

(d) In recognition of the desire of the Authority, the City and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Contract shall be subject to termination in the absolute discretion of the Underwriter by notification, in writing, to the Authority and the City prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Purchase Contract:

(i) any event shall occur which makes untrue any statement or results in an omission to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

(ii) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States of America or by any legislation in or by the Congress of the United States of America or by the State, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States of America, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States of America, the Treasury Department of the United States of America, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority affecting the federal or State tax status of the Authority or the City, or the interest on or with respect to bonds or notes (including the Bonds); or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(iv) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as

contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(v) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any domestic governmental authority or by any domestic national securities exchange, which are material to the marketability of the Bonds; or

(vii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange; or

(viii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of America of a national emergency or war or other calamity or crisis the effect of which on financial markets is materially adverse such as to make it, in the sole judgment of the Underwriter, impractical to proceed with the purchase or delivery of the Bonds as contemplated by the final Official Statement (exclusive of any amendment or supplement thereto); or

(ix) any rating of the Bonds shall have been downgraded or withdrawn by a national rating service, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) the commencement of any action, suit or proceeding described in Section 6(h) or Section 7(h);

(e) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) all resolutions relating to the Bonds adopted by the Authority and certified by an authorized official of the Authority authorizing the execution and delivery of the Bonds, the Authority Documents and the Official Statement;

(ii) all resolutions relating to the Bonds adopted by the City and certified by an authorized official of the City authorizing the execution and delivery of the City Documents and the delivery of the Bonds and the Official Statement;

(iii) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(iv) the approving opinion of Bond Counsel, dated the date of Closing and addressed to the Authority and the City, in substantially the form attached as Appendix B

to the Official Statement, together with a reliance letter thereon addressed to the Underwriter;

(v) a supplemental opinion of Bond Counsel dated the date of Closing and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions [“INTRODUCTION,” “THE BONDS,” “SECURITY FOR THE BONDS,” “THE INSTALLMENT SALE AGREEMENT,” and “TAX MATTERS,” and in APPENDIX B – “FORM OF BOND COUNSEL OPINION,” APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS,” APPENDIX E – “FORM OF CONTINUING DISCLOSURE AGREEMENT,]” and excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Bonds, the Installment Sale Agreement, the Indenture, and Bond Counsel’s final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects as of the date of Closing.

(B) the Purchase Contract has been duly authorized, executed and delivered by the Authority and the City and is the valid, legal and binding agreement of the Authority and the City enforceable in accordance with its terms, except that the rights and obligations under the Purchase Contract are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(vi) the Official Statement, executed on behalf of the Authority and the City;

(vii) evidence that the Bonds have been rated “____” by _____;

(viii) a certificate, dated the date of Closing, signed by a duly authorized officer of the Authority satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the Authority contained in this Purchase Contract are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the Authority, and the Authority has complied with all of the terms and conditions of this Purchase Contract required to be complied with by the Authority at or prior to the date of Closing; (ii) to the best of such officer’s knowledge, no event affecting the Authority has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information relating to DTC and its book-entry system) did not as of its date and do not

as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and (iv) the Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which would have a material adverse impact on the Authority's ability to perform its obligations under the Authority Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument;

(ix) a certificate, dated the date of Closing, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the City contained in this Purchase Contract are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the City, and the City has complied with all of the terms and conditions of the Purchase Contract required to be complied with by the City at or prior to the date of Closing; (ii) to the best of such officer's knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information relating to DTC and its book-entry system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; (iv) the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City's ability to perform its obligations under the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument; and (v) no further consent is required for inclusion of its audited financial statements in the Official Statement;

(x) an opinion dated the date of Closing and addressed to the Underwriter, the Trustee and Bond Counsel, of the Office of the City Attorney of the City, as Counsel to the Authority, to the effect that:

(A) the Authority is a joint exercise of powers authority organized and existing under the laws of the State of California;

(B) the resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents, the Bonds and the Official Statement and other actions of the Authority was duly adopted at a meeting of the governing body of the Authority which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and

acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way;

(C) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the Authority has been served or, to the best of such counsel's knowledge, threatened against or affecting the Authority, except as may be disclosed in the Official Statement, which would materially adversely impact the Authority's ability to complete the transactions contemplated by the Authority Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of Installment Payments with respect to the Installment Sale Agreement, or in any way contesting or affecting the validity of the Bonds, the Official Statement, the Authority Documents or the transactions described in and contemplated thereby wherein an unfavorable decision, ruling or finding would materially adversely affect the validity and enforceability of the Bonds or the Authority Documents or in which a final adverse decision could materially adversely affect the operations of the Authority;

(D) the execution and delivery of the Authority Documents and the issuance of the Bonds and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject, which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents; and

(E) no authorization, approval, consent, or other order of the State of California or any other governmental body within the State of California is required for the valid authorization, execution and delivery of the Authority Documents or the Official Statement by the Authority or the consummation by the Authority of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter.

(xi) an opinion dated the date of Closing and addressed to the Underwriter, the Trustee and the Bond Counsel, of the Office of the City Attorney of the City, to the effect that:

(A) the City is a municipal corporation and a charter city duly organized and validly existing under the Constitution and laws of the State of California;

(B) the resolution of the City approving and authorizing the execution and delivery of the City Documents and approving and authorizing the issuance of the Bonds and the delivery of the Official Statement and other actions of the City was duly adopted at a meeting of the governing body of the City which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution

is now in full force and effect and has not been amended or superseded in any way;

(C) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the City has been served or, to the best of such City Attorney's knowledge, threatened against or affecting the City, except as may be disclosed in the Official Statement, which would materially adversely impact the City's ability to complete the transactions contemplated by the City Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of Installment Payments with respect to the Installment Sale Agreement, or in any way contesting or affecting the validity of the Bonds, the Official Statement or the City Documents;

(D) the execution and delivery of the City Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents; and

(E) no authorization, approval, consent, or other order of the State of California or any other governmental body within the State of California is required for the valid authorization, execution and delivery of the City Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter.

(xii) Disclosure Letter. A letter from Nixon Peabody LLP ("Disclosure Counsel"), dated the date of the Closing, addressed to the City, the Authority and the Underwriter, to the effect that, based upon its participation in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Preliminary Official Statement and the date of the Official Statement and the Closing, the Preliminary Official Statement (excluding information permitted to be excluded under Rule 15c2-12 and excluded from the Official Statement pursuant to the next parenthetical) and the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein and the information included in Appendices __, __ and __ thereto and information relating to DTC and its book-entry system, as to which no advice need be expressed) contains and contained any untrue statement of a material fact or omits or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(xiii) an opinion of counsel to the Trustee, addressed to the Underwriter and the Authority, dated the date of the Closing, to the effect that:

(A) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America, having full corporate power to undertake the trust created under the Indenture;

(B) the Indenture has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other party thereto, the Indenture constitutes the valid, legal and binding obligation of the Trustee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) the Trustee has duly authenticated the Bonds upon the order of Authority;

(D) the Trustee's actions in executing and delivering the Indenture are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound;

(E) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Indenture; and

(F) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Indenture.

(xiv) a certificate, dated the date of Closing, signed by a duly authorized officer of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) the Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Indenture;

(B) the Trustee is duly authorized to enter into the Indenture and has duly executed and delivered the Indenture, and assuming due authorization and execution by the other party thereto, the Indenture is legal, valid and binding upon the Trustee and enforceable against such party in accordance with its terms;

(C) the Trustee has duly authenticated the Bonds under the Indenture and delivered the Bonds to or upon the order of the Underwriter;

(D) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Indenture; and

(E) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Indenture.

(xv) the preliminary and final forms required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code of the State of California and Section 8855(i) and (j) of the Government Code;

(xvi) a copy of the executed Blanket Issuer Letter of Representations by and between the Authority and DTC relating to the book-entry system;

(xvii) the tax and nonarbitrage certificate by the Authority and the City in form and substance to the reasonable satisfaction of Bond Counsel, the Underwriter and Norton Rose Fulbright US LLP ("Underwriter's Counsel");

(xviii) an opinion of Underwriter's Counsel in form and substance acceptable to the Underwriter;

(xix) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement, of the City;

(xx) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement, of the Authority;

(xxi) letter or letters of approval from MTA;

(xxii) a certified copies of the Joint Exercise of Powers Agreement establishing the Authority, and all amendments thereto, and related certificates issued by the Secretary of State of the State; and

(xxiii) **[reference municipal bond insurance, certificate and opinion if such insurance is purchased for the Bonds];** and

(xxiv) such additional legal opinions, Bonds, proceedings, instruments or other documents as the Underwriter or Underwriter's Counsel may reasonably request.

Section 9. Changes in Official Statement. Within 90 days after the Closing or within 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, the City or the Authority shall occur as a result

of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the Authority will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City and the Authority shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the “end of the underwriting period” will be the date of Closing unless the Underwriter otherwise notifies the City in writing that it still owns some or all of the Bonds.

Section 10. Expenses. (a) Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, it shall be under no obligation to pay, and the Authority shall pay, or cause the City to pay, out of the proceeds of the Bonds or any other legally available funds of the City or the Authority, all expenses incidental to the performance of the Authority’s obligations hereunder, including but not limited to the cost of printing and delivering the Legal Documents to the Underwriter; the costs of printing and shipping and electronic distribution of the Preliminary Official Statement and the Official Statement in reasonable quantities; the fees and disbursements of the Authority, the Trustee and its counsel, Bond Counsel, Authority Counsel, the City Attorney, the municipal advisor and any other experts or consultants retained by the City or the Authority in connection with the issuance and sale of the Bonds; rating agency fees; advertising expenses; and any other expenses not specifically enumerated in paragraph (b) of this Section incurred in connection with the issuance and sale of the Bonds. The Authority shall pay, or cause the City to pay out of the proceeds of the Bonds, for any expenses incurred by the Underwriter on behalf of the City’s or the Authority’s employees and representatives which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, and lodging of those employees and representatives.

(b) Whether or not the Bonds are delivered to the Underwriter as set for herein, the Authority shall be under no obligation to pay, and the Underwriter shall be responsible for and pay (which may be included as an expense component of the Underwriter’s discount), MSRB, CUSIP Bureau and CDIA fees and expenses to qualify the Bonds for sale under any “blue sky” laws; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this Section, including the cost of preparing this Purchase Contract and other Underwriter documents, travel expenses and the fees and disbursements of Underwriter’s Counsel.

Section 11. Notices. Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Piper Jaffray & Co., 50 California Street, Suite 3100, San Francisco, CA 94111, Attention: Ralph J. Holmes, Managing Director. Any notice or communication to be given the Authority under this Purchase Contract may be given by delivering the same in writing to the Lancaster Financing Authority, 44933 Fern Avenue, Lancaster, CA 93534, Attention: Executive Director. Any notice or communication to be given the City under this Purchase Contract may be given by delivering the same in writing to the City of Lancaster, 44933 Fern Avenue, Lancaster, CA 93534, Attention: City Manager. All notices or communications hereunder by any party shall be given and served upon each other party.

Section 12. Parties in Interest. This Purchase Contract is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Authority and the City in this Purchase Contract shall remain operative and in full force

and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

Section 13. Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 14. Governing Law. This Purchase Contract shall be governed by and construed in accordance with the laws of the State.

PIPER JAFFRAY & CO.

By: _____
Ralph J. Holmes
Managing Director

Accepted:

LANCASTER FINANCING AUTHORITY

By: _____
Executive Director

Time of Execution: ____:____

Accepted:

CITY OF LANCASTER

By: _____
City Manager

Time of Execution: ____:____

EXHIBIT A

MATURITY SCHEDULE

\$ _____
LANCASTER FINANCING AUTHORITY
REVENUE BONDS, SERIES 2019
(MEASURE M & R STREET IMPROVEMENTS PROJECT)

Maturity Date	Principal Amount	Interest Rate	Yield	Price	10% Test Used	Hold-The- Offering-Price Used
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* Priced to ____ 1, 20__ call date.

EXHIBIT B

\$ _____
**LANCASTER FINANCING AUTHORITY
REVENUE BONDS, SERIES 2019
(MEASURE M & R STREET IMPROVEMENTS PROJECT)**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Jaffray & Co. (the “**Underwriter**”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “**Bonds**”).

1. ***Sale of the [Bonds][10% Maturities]***. As of the date of this Certificate, for each Maturity of the [Bonds][10% Maturities], the first price at which a Substantial Amount of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the [Bonds][Undersold Maturities]***.

(a) The Underwriter offered the [Bonds][Undersold Maturities] to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Bond Purchase Contract, the Underwriter has agreed in writing that, for each Maturity of the [Bonds][Undersold Maturities], it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would it permit a related party to do so. Pursuant to such agreement, the Underwriter has neither offered nor sold any Maturity of the [Bonds][Undersold Maturities] at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period.

3. ***Defined Terms***.

[(a) ***10% Maturities*** means those Maturities of the Bonds shown in Schedule A hereto as the “10% Maturities.”]

(b) ***Issuer*** means Lancaster Financing Authority.

(c) ***Maturity*** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

[(d) ***Offering Period*** means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2019), or (ii) the date on which the Underwriter has sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.]

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Regulatory Underwriter or a related party to a Regulatory Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Regulatory Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2019.

(h) *Substantial Amount* means ten percent.

(i) *Undersold Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the “Undersold Maturities.”]

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Nonarbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

PIPER JAFFRAY & CO.

By: _____

Name: _____

Title: _____

Dated: _____, 2019

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

Exhibit A

\$50 MILLION ROAD BOND BREAKDOWN

PHASE I - \$30 MILLION TOTAL BUDGET

Reconstruction Projects - Arterials & Collectors (Spring 2020)

	General - Mobilization/Demob/TC/Clear & Grub, etc.		\$650,000
1	Avenue L - 10th St West to Sierra Highway	5.60	\$1,500,000
2	Avenue J - 10th St West to 15th St West	3.70	\$809,194
3	10th St West - Ave J to Ave K	6.20	\$1,023,500
4	10th St West - Ave J to Lancaster Blvd	2.87	\$550,000
5	10th St West - Ave K to Ave L	7.12	\$925,885
6	Sierra Highway - Ave H to Ave J	11.80	\$1,247,710
	ESTIMATED CONSTRUCTION COST	37.29	\$6,706,289
	Contingency & Construction Engineering		\$795,629
	TOTAL CONSTRUCTION COST		\$7,501,918

Neighborhoods (Summer 2020)

	General - Mobilization/Demob/TC/Clear & Grub, etc.		\$425,000
	Signing & Striping		\$150,000
7	NBH - SWC Lancaster Blvd & 10th St W; et al	6.72	\$372,593
8	NBH - Ave J to Ave J-8, Division to Raysack	4.77	\$560,000
9	NBH - 10th St W to Sierra; Ave I to Blvd	8.20	\$1,160,000
10	NBH - Ave J-8 to Ave K; 15th E to Rembrandt	6.80	\$526,000
11	NBH - Blvd to Ave J, 2nd St. E - 3rd St. E	4.21	\$357,000
12	NBH - Division to Challenger; Ave J-8 to K	21.15	\$2,233,384
	ESTIMATED CONSTRUCTION COST	51.84	\$5,783,977
	Contingency & Construction Engineering		\$678,398
	TOTAL CONSTRUCTION COST		\$6,462,375

Reconstruction Projects - Arterials & Collectors (Fall 2020)

	General - Mobilization/Demob/TC/Clear & Grub, etc.		\$650,000
13	Avenue K - 20th St West to 40th St West	14.80	\$2,349,410
14	20th St West - Ave L to Ave M	3.30	\$534,250
15	35th St West - Ave L to Ave M	4.50	\$580,800
16	Ave J-12 - 20th St W to Ave K	1.70	\$525,000
17	Ave J-8 - 15th St West to 35th St West	7.30	\$1,185,027
18	Ave H - 25th St W to 40th St W	8.13	\$590,000
19	Ave K - 10th St W to Sierra Hwy	6.52	1118857
	ESTIMATED CONSTRUCTION COST	46.25	\$7,533,344
	Contingency & Construction Engineering		\$903,334
	TOTAL CONSTRUCTION COST		\$8,436,678

PHASE II - \$20 MILLION TOTAL BUDGET

Reconstruction Projects - Arterials & Collectors (Spring 2021)

	General - Mobilization/Demob/TC/Clear & Grub, etc.		\$625,000
20	Ave J - 10th St West to Challenger Way	11.76	\$2,045,400
21	Division St - Ave I to Ave J	5.32	\$950,000
22	Ave M - Sierra Highway to 4th St East	1.00	\$275,000
23	15th St West - Ave J to Ave J-8	2.56	\$375,000
24	25th St West - Ave K-8 to Ave L	2.25	\$295,000
25	20th St West - Ave K to Ave L	6.21	\$788,824
26	Lancaster Business Park	16.86	\$1,998,000
	ESTIMATED CONSTRUCTION COST	45.96	\$7,352,224
	Contingency & Construction Engineering		\$910,222
	TOTAL CONSTRUCTION COST		\$8,262,446

Neighborhoods (Summer 2021)

	General - Mobilization/Demob/TC/Clear & Grub, etc.		\$450,000
	Signing & Striping		\$160,000
27	NBH - Blvd to Ave J; 10th St West to Sierra Highway	16.50	\$2,569,600
28	NBH - Ave J to Ave J-8; 25th St West to 30th St West	6.40	\$685,750
29	NBH - Ave J to Ave J-8; Sierra Hwy to 10th St West	16.26	\$2,040,000
30	NBH - Ave J-8 to Ave K; 10th St West to 15th St West	4.99	\$530,700
31	NBH - Ave J-8 to Ave K; 20th St West to 25th St West	6.80	\$726,000
32	NBH - Ave K to Ave K-4; 25th St West to 30th St West	5.50	\$580,800
33	NBH - Ave K-8 to Ave L; 15th St West to 20th St West	7.30	\$780,000
	ESTIMATED CONSTRUCTION COST	63.75	\$8,522,850
	Contingency & Construction Engineering		\$1,027,285
	TOTAL CONSTRUCTION COST		\$9,550,135

	LM	BUDGET
Phase I Total Construction Cost	135.38	\$22,400,971
ADA/Sidewalk Projects		\$2,500,000
Preventive Maintenance Projects (Slurry Seal Program)	14.20	\$1,250,000
New Development Projects		\$2,250,000
PS&E of Phase I & Phase II		\$975,000
Technology Upgrades		\$150,000
Pavement Condition Index (PCI) Evaluation & Analysis		\$60,000
TOTAL PHASE I BUDGET		\$29,585,971
Phase II Total Construction Cost	109.71	\$17,812,581
ADA/Sidewalk Projects		\$725,000
Preventive Maintenance Projects (Slurry Seal Program)	6.70	\$575,000
New Development Off-Site Improvements		\$500,000
PS&E of 2022 PMP		\$300,000
Pavement Condition Index (PCI) Evaluation & Analysis		\$60,000
TOTAL PHASE II BUDGET		\$19,972,581
TOTAL BOND BUDGET	265.99	\$49,558,552

Attachment 6

SOURCES AND USES OF FUNDS

City of Lancaster
2019 Transportation Sales Tax Revenue Revenue Bonds (Street Improvement Project)
Market Conditions as of April 2, 2019
Preliminarily; Subject to Change
Assumes 'A+' Underlying Rating
30-year Scenario
Measure M & Measure R
1.5x Coverage
+25 bps
Scenario 1: Premium Structure

Dated Date 08/13/2019
Delivery Date 08/13/2019

Sources:

Bond Proceeds:	
Par Amount	43,395,000.00
Premium	6,709,012.85
	<hr/>
	50,104,012.85
	<hr/> <hr/>

Uses:

Project Fund Deposits:	
Project Fund	49,300,593.33
Delivery Date Expenses:	
Cost of Issuance	235,000.00
Underwriter's Discount	184,428.75
Surety Bond (250 bps)	81,125.00
Bond Insurance (35bps)	<u>302,865.77</u>
	803,419.52
	<hr/>
	50,104,012.85
	<hr/> <hr/>

BOND DEBT SERVICE

City of Lancaster
 2019 Transportation Sales Tax Revenue Revenue Bonds (Street Improvement Project)
 Market Conditions as of April 2, 2019
 Preliminary; Subject to Change
 Assumes 'A+' Underlying Rating
 30-year Scenario
 Measure M & Measure R
 1.5x Coverage
 +25 bps
 Scenario 1: Premium Structure

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2020	660,000	3.000%	2,072,726.67	2,732,726.67
08/01/2021	605,000	4.000%	2,124,400.00	2,729,400.00
08/01/2022	630,000	4.000%	2,100,200.00	2,730,200.00
08/01/2023	655,000	5.000%	2,075,000.00	2,730,000.00
08/01/2024	690,000	5.000%	2,042,250.00	2,732,250.00
08/01/2025	725,000	5.000%	2,007,750.00	2,732,750.00
08/01/2026	760,000	5.000%	1,971,500.00	2,731,500.00
08/01/2027	795,000	5.000%	1,933,500.00	2,728,500.00
08/01/2028	835,000	5.000%	1,893,750.00	2,728,750.00
08/01/2029	880,000	5.000%	1,852,000.00	2,732,000.00
08/01/2030	925,000	5.000%	1,808,000.00	2,733,000.00
08/01/2031	970,000	5.000%	1,761,750.00	2,731,750.00
08/01/2032	1,015,000	5.000%	1,713,250.00	2,728,250.00
08/01/2033	1,070,000	5.000%	1,662,500.00	2,732,500.00
08/01/2034	1,120,000	5.000%	1,609,000.00	2,729,000.00
08/01/2035	1,175,000	5.000%	1,553,000.00	2,728,000.00
08/01/2036	1,235,000	5.000%	1,494,250.00	2,729,250.00
08/01/2037	1,300,000	5.000%	1,432,500.00	2,732,500.00
08/01/2038	1,365,000	5.000%	1,367,500.00	2,732,500.00
08/01/2039	1,430,000	5.000%	1,299,250.00	2,729,250.00
08/01/2040	1,505,000	5.000%	1,227,750.00	2,732,750.00
08/01/2041	2,090,000	5.000%	1,152,500.00	3,242,500.00
08/01/2042	2,195,000	5.000%	1,048,000.00	3,243,000.00
08/01/2043	2,305,000	5.000%	938,250.00	3,243,250.00
08/01/2044	2,420,000	5.000%	823,000.00	3,243,000.00
08/01/2045	2,540,000	5.000%	702,000.00	3,242,000.00
08/01/2046	2,670,000	5.000%	575,000.00	3,245,000.00
08/01/2047	2,800,000	5.000%	441,500.00	3,241,500.00
08/01/2048	2,940,000	5.000%	301,500.00	3,241,500.00
08/01/2049	3,090,000	5.000%	154,500.00	3,244,500.00
	43,395,000		43,138,076.67	86,533,076.67

STAFF REPORT

City of Lancaster

NB 1
05/14/19
JC

Date: May 14, 2019

To: Mayor Parris and City Council Members

From: Jason Caudle, City Manager

Subject: **Resolution Authorizing the Creation and Operation of a Municipally-Owned Utility for the Purpose of Providing Various Utility Services**

Recommendation:

Adopt **Resolution No. 19-18**, authorizing the creation and operation of a municipally owned utility for the purpose of providing various utility services; and authorizing the taking of certain other actions in connection therewith.

Fiscal Impact:

There is no fiscal impact at this time.

Background:

The City of Lancaster has improved the quality of services and reduced service costs for residents through the implementation of innovative solutions. As the first City Community Choice Aggregator (CCA) in the State, Lancaster Choice Energy has saved customers millions of dollars and developed programs which have helped homes and businesses become more energy efficient. By acquiring the City's streetlights from Southern California Edison, Lancaster was able to upgrade to LED energy-efficient lights which reduced maintenance costs and improved lighting throughout the community.

The establishment of a municipal utility is the next step in continuing to ensure that citizens and businesses are provided with utility services that meet the current and future needs of the community. As a municipal utility, Lancaster will have the opportunity to utilize advanced technology, provide utility services at rates and charges that are fair and reasonable, provide high quality customer service, and provide alternatives to existing providers of utility services similar to what the City achieved through the development of the City's CCA.

Resolution No. 19-18 will expand upon Resolution No. 10-36 which was approved in 2010 and granted the City with the authority to provide renewable energy programs. Specifically, Resolution No. 19-18 will grant the City the ability to establish a municipally-owned electric utility which can provide residents with natural gas, cable television, telephone and telecommunication services.

Attachment:

Resolution No. 19-18

RESOLUTION NO. 19-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, AUTHORIZING THE CREATION AND OPERATION OF A MUNICIPALLY OWNED UTILITY FOR THE PURPOSE OF PROVIDING VARIOUS UTILITY SERVICES, AND AUTHORIZING THE TAKING OF CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Lancaster (“City”) is a municipal corporation and charter city organized and operating under the laws of the State of California, with the City Council of the City of Lancaster (“City Council”) serving as the governing body of the City;

WHEREAS, the City desires to ensure that its citizens and businesses are provided with utilities that meet the current and future needs of the community, that utilize advanced technology, that provide utility services at rates and charges that are fair and reasonable, that provide high quality customer service, that provide alternatives to existing providers of utility services and that protect the health, safety and welfare of its citizens; and

WHEREAS, the City desires to own and operate municipally-owned electric, [natural gas, cable television, telephone and telecommunications] utility system, where appropriate; and

WHEREAS, the City has consulted with various experts to identify the prospective benefits of establishing a municipally owned utility; and

WHEREAS, the City has identified numerous potential benefits that would derive from providing a municipally-owned utility, including but not limited to additional revenues for community improvements, the ability to offer competitive rates to citizens and businesses for utility services [and high speed communications capability for residential, business and governmental use that support variable bandwidth and seamless communication, community wide]; and

WHEREAS, the City Council has found and determined that the creation of a municipally-owned utility could significantly enhance the quality of life and provide significant benefits to the citizens and businesses of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER AS FOLLOWS:

Section 1. The City of Lancaster does hereby establish a municipally-owned electric, [natural gas, cable television, telephone and telecommunications] utility in the City of Lancaster.

Section 2. The City Manager or his or her designee is hereby authorized to take all necessary steps to create and establish a municipally-owned utility (the “Municipal Utility”) with powers to provide various utility services, including, without limitation, electric, [natural gas, cable television, telephone and telecommunications], to be determined from time to time by the City Council, to the residents and business of the City. The City Manager or his or her designee is further authorized to take all necessary actions to provide for the operation and maintenance of the municipal utility including but not limited to determining the level of additional staffing required, if any, identifying outsourcing needs, negotiating agreements with consultants, special counsel, underwriter(s) and/or financial advisors in connection with regulatory, legal or financial matters for approval by the City Council.

Section 3. The Mayor (or in the Mayor’s absence, the Vice Mayor), the City Manager, or their designees are hereby authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

Section 4. The City Clerk shall certify to the adoption of this Resolution, which shall take effect immediately upon its adoption.

PASSED, APPROVED and ADOPTED this 14th day of May, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, MMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }ss
CITY OF LANCASTER }

CERTIFICATION OF RESOLUTION
CITY OF LANCASTER

I, _____, _____ City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No. 19-18, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____ day of _____, _____.

(seal)
